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Murdoch shops 'TV Guide'

Media baron seeks ways to cut debt

By Scott Donaton

Rupert Murdoch is sounding out prospective buyers for *TV Guide* less than two years after he rocked the industry by paying $3 billion to buy the magazine's parent, Triangle Publications.

Publishing industry sources say top Murdoch executives have met with a number of major publishers in recent weeks to gauge interest in the weekly, which has been in an ad page and circulation slump since it was acquired by News Corp. in 1988.

The asking price: an estimated $2.6 billion.

"There's no question about it—they're selling it," said one industry source, adding he recently met with Murdoch executives to discuss *TV Guide*. "They're doing it very, very quietly, because right now they don't have to sell it. But they've been meeting with people."

Another industry source familiar with the discussions said, "It's been shown around to carefully selected people. [Murdoch executives] won't admit it, but the truth is it's being shopped."

Murdoch executives vigorously denied the reports.

"News America Publishing categorically denies *TV Guide* is for sale," a company spokesman said. "It is a rumor that is ridiculous and silly."

Analysts say Mr. Murdoch has been under pressure to reduce News Corp.'s heavy debt load, which they estimate at about $6.5 billion. A *TV Guide* sale would significantly shrink the debt and let Mr. Murdoch focus his resources on other holdings, especially Sky Television, a money-losing U.K.-based satellite TV service, and Fox Broadcasting Co.

But selling *TV Guide* would mar Mr. Murdoch's near-perfect track record and would likely be viewed as a sign of deeper problems at News Corp., and that's why sale discussions are said to be under tight wraps.

Finding a buyer may not be easy. Only a handful of companies could afford the hefty price tag, and those that can

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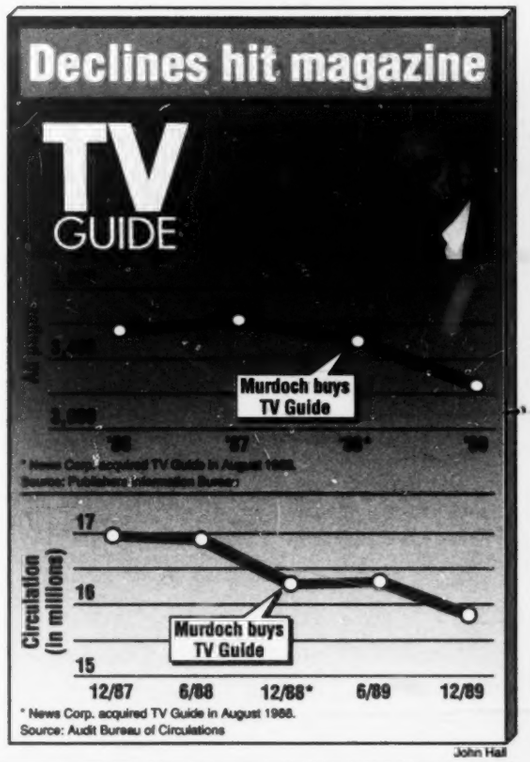

John Hall

Ad drop-off causes magazine shakeout

By Scott Donaton

In what could be the start of a shakeout in the magazine industry, publishers are selling and, in some cases, folding titles.

"We have never been busier than we are at this minute," said John Veronis, chairman of Veronis, Suhler & Associates, a top media investment company.

Plagued by a continuing ad-page shortage, some publishers are trying to raise cash to reduce debt by unloading magazines that don't strategically mesh with their other titles. Smaller publications are looking for investors as they struggle to stay afloat.

The activity reached a fever pitch last week, high-

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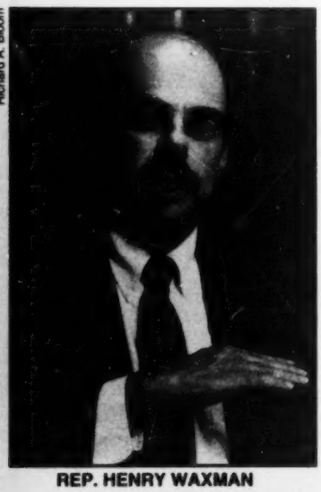

Richard A. Bloom

REP. HENRY WAXMAN

Anti-cig bill packs it all in

Waxman omnibus measure would virtually kill tobacco ads

By Steven W. Colford

WASHINGTON—The most comprehensive anti-tobacco bill ever pieced together is making the rounds in Congress.

The draft legislation, a copy of which was obtained by *Advertising Age*, would virtually eliminate tobacco advertising. It would also put an end to tobacco-sponsored auto, musical and cultural events, and "Joe Camel"-type T-shirts and related merchandise.

Advertising and tobacco industry officials say Rep. Henry Waxman (D., Calif.), the bill's sponsor, is trying to line up support to guarantee passage by the 23-member House Health & Environment Subcommittee. Rep. Waxman chairs that panel.

Because the long-rumored bill hadn't been introduced by late last week, industry officials said Rep. Waxman may have encountered more opposition than he anticipated.

Waxman aides didn't return repeated phone calls, but it appears the congressman is still pushing the bill hard.

Rep. Waxman spearheaded the 1985 bill that banned broadcast advertising of smokeless tobacco products.

The new measure combines elements of previously introduced anti-tobacco bills, including those from Reps. Thomas Luken (D., Ohio) and Mike Synar (D., Okla.). Rep. Waxman apparently believes such a bill faces a greater chance of passage by his own subcommittee than by any other.

"We think he's put everything that's been raised in Congress into an omnibus bill for the purpose of seeing what votes he can put together," said Wally Snyder, exec VP at the American Advertising Federation. "I don't think he expects to get all of it . . . but maybe he wants to get a vote."

Even Rep. Luken acknowledged that such an all-encompassing bill would probably stand a better chance in Rep. Waxman's subcommittee than in Rep. Luken's

(Continued on Page 60)

LAST MINUTE NEWS

Northwest talks to DMB&B?

EAGAN, Minn.—Top Northwest Airlines officials have met with D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., sources said. However, Northwest marketing executives denied an agency review is in the offing for the $54 million account, now at Saatchi & Saatchi Advertising, New York. Saatchi's London office handles British Airways; Northwest changed hands a year ago, and its new owners may be unhappy sharing the agency with British Airways. Northwest has always said most of its ads are for non-competitive routes and that Backer Spielvogel Bates, New York, and not Saatchi's New York office, handles British Airways' needs in the U.S.

P&G rolls lemonade

CINCINNATI—Procter & Gamble is introducing nationally Citrus Hill Fresh Recipe lemonade, a three-flavor line of frozen concentrate. N W Ayer, New York, handles the introductory print and couponing ad campaign, breaking this summer.

Della Femina to make shift

NEW YORK—Della Femina, McNamee plans to reorganize its creative department in the next three weeks, said Chairman Jerry Della Femina. It's expected that Senior VP-Group Creative Directors Phil Silvestri and Richard Roth will take more prominent roles,

(Continued on Page 8)

INSIDE

Ad Age's **Top 200 Brands**

See Page 25

Lintas savors $35M win from Sara Lee

By Julie Liesse and Jon Lafayette

Sara Lee Corp.'s decision to consolidate most of its food advertising at a single agency follows similar moves by other industry powerhouses.

The company last week awarded Lintas:USA, New York, an estimated $35 million in media billings. The account includes Sara Lee Bakery plus a host of processed meat brands: Bryan, Hillshire Farm, Ball Park, Kahn's, Mr. Turkey and Grillmaster. Lintas already was agency of record for Bil Mar Foods, maker of Mr. Turkey.

Sara Lee executives, including Chairman John Bryan and President Paul Fulton, felt the need to consolidate because the food industry in general—notably Campbell Soup Co. and Kraft General Foods—is consolidating brands and advertising. Sources said the decision to consolidate wasn't based on creative considerations.

Like Campbell and Kraft, Sara Lee is trying to maximize brand strength in media and promotions. Mr. Bryan has often endorsed the concept of cross-brand advertising and merchandising.

"We're going to do the total integrated communications for them," said William Weithas, chairman-ceo of Lintas:Worldwide.

Lintas' compensation is based on a fee-plus-incentives agreement.

For Lintas, the timing of the win was especially sweet.

"It's a wonderful win for us. It's so wonderful because of that tank job we got on Eastern Airlines," Mr. Weithas said.

Eastern two weeks ago abruptly moved its $45 million account to Ogilvy & Mather.

Losing Sara Lee business to Lintas are Chiat/Day/Mojo (Sara Lee Bakery); Ally & Gargano (Bryan meats); Puskar Gibbon Chapin, Dallas (Hillshire Farm, Kahn's); and W.B. Doner & Co., Southfield, Mich. (Ball Park, Grillmaster).

Chiat's 9-month-old campaign starring the real Sara Lee Schupf (daughter of the company's founder) will continue, sources said. □

Senate hits green claims

By Steven W. Colford

WASHINGTON—The U.S. Senate last week threatened to jump into the controversy over environmental product claims.

Sen. Frank Lautenberg (D., N.J.) told a Senate Commerce Committee subcommittee he's preparing legislation that would require the Environmental Protection Agency to set uniform criteria for environmental claims in product marketing.

He also said his legislation might create an environmental labeling program that would give marketers seals of approval for "environmentally preferable products."

"The folks in the advertising world have caught the wave of environmentalism," said Sen. Joseph Lieberman (D., Conn.). "Unfortunately, accuracy and truth often are being drowned out."

Other witnesses, representing government, business and environmental groups, expressed concerns that cast doubt on the immediate future of marketers' "degradable" and "recyclable" claims.

An executive from Procter & Gamble Co., the nation's leading disposable diaper marketer, said spurious green claims confuse consumers and cloud the issue of what's really environmentally sound.

"Packaging that claims to be made of biodegradable plastic material may in fact be a technically true claim, because the plastic may break up due to biological action," said P&G Associate Ad Manager Robert Viney. "But if placed side by side with a non-degradable plastic material in a landfill, there is no real difference in how quickly the landfill fills up. Then we believe such a claim would be misleading."

Missouri Attorney General William Webster agreed standardized definitions are needed and said the National Association of Attorneys General has been cooperating with the Federal Trade Commission in that effort.

But Mr. Webster, part of an eight-state task force that met in March to develop standards for green claims, said states mustn't be constrained from acting on their own, "and the FTC seems to share that view."

But Mr. Viney argued that national marketers should be held accountable to a single standard.

"We would agree that a standard definition of key terms and claim support requirements, applicable nationally, vs. different definitions and regulations in every state, is a major need," he said.

Much of the day's rhetorical heat targeted plastic bag and diaper marketers. And Mr. Webster told *Advertising Age* he's met with representatives of seven plastic bag and diaper companies, which he declined to name, and said he expects enforcement action against at least some of those companies by summer.

Barry Cutler, director of the FTC's Bureau of Consumer Protection, said his office has more than a dozen investigations under way into products' environmental claims, including those of diaper and plastic bag marketers.

"For example, the staff is looking at whether products are actually 'photodegradable,' 'biodegradable,' 'ozone-friendly' or 'recyclable,' " he said.

Mr. Cutler also touched on seal programs, saying they "have the potential to be deceptive."

If seal programs become operational, "the commission will review product advertising and labels," he said, "to ensure that they do not result in deceptive or misleading advertising claims." □

Continental touts service

By Jennifer Lawrence

HOUSTON—Continental Airlines starts an image makeover May 22 in a $7 million ad campaign showcasing the first TV creative work from new agency Wells, Rich, Greene, New York.

The new approach—both strategically and creatively—sets the stage for a major repositioning for the No. 5 carrier.

Once the price airline advertising leader, the Texas Air Corp. unit now will use a service message.

Past summer marketing initiatives have typically centered on low fares or value-added promotions such as "kids fly free."

Continental uses little girls trying on bathing suits to show it's easy to find a low fare that's just the right fit.

The new campaign features four 15-second spots paired as :30s. All open with "Get ready. Get set. Go." The theme line is "Continental summer. We're ready."

"We wanted to do a broad-scale message just when people are planning their summer," said Richard Metzner, Continental senior director-marketing services. "We also wanted to begin to reposition the airline as one that has accomplished a great deal and offers a good service product."

The new TV spots will be used in 10 markets for the first five-week flight. Local and national newspaper ads will support.

Continental is trying to bounce back from service problems following the acquisition of People Express in early 1987.

How to market that comeback was said to be a key issue in the review that landed the $40 million-to-$50 million account at WRG from N W Ayer, here and New York. □

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Ad Age's first quarterly report examines media spending in '89 versus '88, and tells who's on top in the brand race.

THE TOP 200 BRANDS

McDonald's tops in spending

By R. Craig Endicott

Big Mac reigns supreme.

McDonald's Corp. piled up expensive broadcast spending in 1989 to pad its lead as the nation's largest advertised brand name.

McDonald's spent $424.8 million in measured media, up 6.1% from 1988, according to *Advertising Age's* first quarterly report on the nation's top 200 brands. *(See accompanying box for definition of "brand." Brand rankings appear on Pages 26 and 27.)*

The fast-food chain boosted broadcast 7.8% to $417.8 million to once again outdistance another broadcast-sustained name, No. 2 Kellogg's cereals, at $373.3 million, up 5.3%. In fact, broadcast pulled 98% of the total measured media spent by the top two brand names.

Sears, Roebuck & Co., which passed AT&T Co. for the third spot with $363.7 million, spent 57% of its measured outlay in broadcast. Entry into the top 200 required an expenditure of $25.3 million in 1989. AT&T spent $314.3 million on its telephone services, up 8%.

Philip Morris Cos. claimed 12 positions—the most of any company—among the 200 with aggregate spending of $753.7 million, up a modest 3.5%. But it could not pull past General Motors Corp., which remained the largest brand parent in total expenditures within the 200 with $778.7 million, up only 1.1%. GM pulled its leading tally from eight brands.

PM's largest brand, Miller beers, ranked No. 11 based on $146.8 million in measured spending, down 10.3% from 1988. Five of its cigarette brands—Marlboro, Merit, Virginia Slims, Benson & Hedges and Alpine—occupied top 200 positions, as did Post cereals, Kraft cheeses, Maxwell House coffees, Kraft salad dressings and mayonnaises, Jell-O desserts and General Foods International Coffees.

Procter & Gamble Co., supplanted by Philip Morris Cos. as the nation's largest advertiser among all brands in 1988, spawned the third-largest retinue of leading brands among the 200. Its entries—Folgers, Tide, Oil of Olay, Crest, Head & Shoulders and Nyquil—accounted for an aggregate $283 million in measured media, up a dramatic 35.9%, but placing P&G only 11th among brand parents.

National spending by the 200, based on nine-media totals compiled by Leading National Advertisers, grew to $12.43 billion, up 10.4% over 1988. The 200 aggregate rose from 31.7% to 32.4% of all LNA-monitored national ad spending. That amount rose 7.9%, hitting $38.34 billion in 1989, for more than 39,000 brands.

The 200 exercised their economic clout in broadcast media, comprised of network and spot TV, and syndicated and cable TV networks. They propped up network TV by spending $5.12 billion in the medium, up 8.3%. Meanwhile, the nation's advertisers as a whole trimmed TV budgets to produce an overall 0.2% decline in network advertising.

The brand elite commanded 53.5% of all network TV expenditures of $9.56 billion in 1989, up from 49.3% of the total in 1988.

The 200's spot TV spending rose 7.3% to $2.66 billion, which was 29.4% of all spending in the medium in 1989, up from 28.7%.

In the burgeoning syndicated TV market, the 200 claimed 39.3%, up from 35.8% in 1988 as their spending grew 57% to $505.5 million. Syndicated TV's total expenditures were $1.29 billion, up 43% for the year.

Likewise, the 200 captured 32.2% of all cable network advertising of $952.5 million, up from 29.9%, with an expenditure of $306.7 million.

The 200's spending in magazines rose 14.5% to $1.75 billion to claim 26.6% of all national magazine spending of $6.59 billion, up from 26% of the total in 1988. In newspapers, the 200 accounted for 16.9% of $8.78 billion national spending in the medium, as their expenditures grew only 3% to $1.48 billion.

Category composition of the top 200 brand names is weighted toward three categories: Passenger cars, general retail and restaurants. As a group, they claimed 39% of total spending by the 200.

Passenger cars, comprising 28 of the top 200 brands, totaled $2.42 billion. This represented a growth of 18.2%, virtually all from Japanese imports and Chrysler Corp., whose car total rose 6.8% to $252.7 million.

Enhancing the category's strong growth performance was $146.3 million in 1989 advertising for No. 97 Lexus, No. 140 Infiniti, and No. 53 Geo compared with $9.6 million in 1988, all for Geo.

Spending in the category declined for both General Motors and Ford Motor Co. The lead name among passenger cars was No. 5 Ford passenger cars with $197.4 million, down 7.3% from its category leading total in 1988.

General Motors' first entry on the chart was Chevrolet passenger cars, No. 7 with $180.6 million, down 1.9%.

Total general retail spending increased 14.9% to $1.24 billion among the 15 brands in the category. Retail, a composition of household, apparel and miscellaneous spending, was paced by the No. 3 brand overall, Sears, Roebuck & Co. stores with $363.7 million, a 57% increase reflecting a massive ad infusion in broadcast to push its "Everyday low prices" marketing theme launched in early 1989.

Macy's stores pulled past K mart Corp. stores for the category's runner-up spot in 1989 although spending for both declined from the prior year. Macy's took No. 12 overall with spending of $146.8 million, down 0.2%, and K mart claimed No. 14 with $128.7 million in spending, a 19.1% drop.

Restaurants, as a category of 11 brands, grew 9.4% to $1.17 billion. Burger King, the No. 9 brand name overall at $170.4 million, up 11.5%, remained the perennial runner-up to McDonald's, which accounted for 36% of category spending.

PepsiCo amassed $272.1 million in restaurant spending behind No. 18 Kentucky Fried Chicken, No. 30 Pizza Hut and No. 63 Taco Bell. The category served up the bulk of PepsiCo's $401.3 million in total expenditures among its top 200 brands, ranking it sixth among brand parents. □

Top 10 categories among top 200 brands

Rank	Category	Measured ad spending 1989	1988	% chg	1989 spending by media Print	Broadcast	Outdoor	Number of brands
1	Passenger car	$2,424.2	$2,050.1	18.2	$725.4	$1,689.7	$9.1	28
2	Retail, non-food	1,243.4	1,081.8	14.9	663.4	578.8	1.2	15
3	Restaurants	1,171.2	1,071.0	9.4	4.3	1,154.0	12.9	11
4	Cereal (food)	643.6	587.2	9.6	22.4	621.2	0.0	5
5	Beer	549.2	601.1	(8.6)	30.7	507.6	10.8	5
6	Airline	486.2	447.4	8.7	290.4	188.7	7.1	9
7	Movies	462.9	422.9	9.5	122.6	339.5	0.9	8
8	Trucks & vans	455.5	397.4	14.6	142.7	311.4	1.5	7
9	Cigarettes	432.3	423.4	2.1	306.4	0.0	125.9	10
10	Telephone cos.	400.0	369.8	8.2	101.4	298.4	0.2	3

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Top 10 parent companies of brands in top 200

Rank	Company	Measured ad spending 1989	1988	% chg	1989 spending by media Print	Broadcast	Outdoor	Number of brands
1	General Motors Corp.	$778.7	$769.9	1.1	$224.6	$550.7	$3.4	8
2	Philip Morris Cos.	753.7	728.0	3.5	242.2	443.2	68.4	12
3	McDonald's Corp.	424.8	400.5	6.1	1.0	417.8	5.9	1
4	Ford Motor Co.	416.1	387.0	7.5	148.3	264.9	3.0	4
5	Sears, Roebuck & Co.	404.6	262.2	54.3	156.8	247.3	0.5	2
6	PepsiCo Inc.	401.3	367.3	9.3	8.3	389.8	3.1	5
7	Kellogg Co.	373.3	354.6	5.3	7.5	365.9	0.0	1
8	Chrysler Corp.	355.5	329.2	8.0	139.9	214.5	1.0	6
9	AT&T Co.	314.3	291.0	8.0	89.3	224.8	0.2	1
10	Anheuser-Busch Cos.	297.2	328.7	(9.6)	15.1	279.2	2.9	3

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Measured ad spending by media for 200 brands

Rank	Media	Top 200 brands 1989	1988	% chg	All measured brands 1989	1988	% chg
1	Network TV	$5,117.0	$4,724.7	8.3	$9,559.0	$9,580.3	(0.2)
2	Spot TV	2,655.6	2,474.4	7.3	9,030.4	8,609.9	4.9
3	Magazine	1,754.6	1,531.8	14.5	6,594.9	5,888.7	12.0
4	Newspaper	1,479.7	1,437.2	3.0	8,777.5	7,938.6	10.6
5	Syndicated TV	505.5	322.0	57.0	1,286.7	900.0	43.0
6	Cable TV networks	306.7	223.7	37.1	952.5	748.0	27.4
7	Network radio	285.7	245.7	16.3	696.2	657.2	5.9
8	Outdoor	190.4	194.9	(2.3)	705.8	718.2	(1.7)
9	Sunday magazine	132.6	107.3	23.6	737.0	492.2	49.7
	Subtotal print media	3,366.9	3,076.3	9.4	16,109.4	14,319.5	12.5
	Subtotal broadcast media	8,870.4	7,990.5	11.0	21,524.9	20,495.4	5.0
	Total nine media	12,427.8	11,261.7	10.4	38,340.1	35,533.1	7.9

Notes: Dollars are in millions. Source: LNA/Arbitron Multi-Media Service

Defining what constitutes a 'brand' is no simple task

What is a "brand"?

Our working definition in this report is a line of products or services bearing the same name within an industry subclass as defined by Publishers Information Bureau Codes.

This definition captures most line extensions of brands; identifies the product in its most recognized and heaviest advertised segment of the market; and narrows the brand to a single subclass.

But there are objections, which we acknowledge. Some purists may say this definition errs on the side of inclusiveness by producing "mega-brands," as in No. 70 Kraft cheeses as opposed to Cracker Barrel or Philadelphia Cream Cheese.

Another example: No. 2 Kellogg's cereals as opposed to Kellogg's Frosted Flakes.

Others may say our subclasses are too exclusive. If Alka-Seltzer jumps across the antacid boundary into cold remedies, this reasoning goes, the brand tally should follow the "name."

Even limiting subclass coupling produced such entries as No. 5 Ford passenger cars and No. 17 Ford trucks and vans, which show up separately when really the brand name is the same.

Likewise, PIB code subclasses in areas such as cosmetics are much more specific—skincare creams, lip & eye, scents & fragrances, etc.—than subcategories identifying beer (one subclass). This prevents such brands as Revlon and Maybelline from making the top 200 because they don't spend enough in a single subclass.

We are interested in your comments on our methodology and will be making refinements as we go along. □

Brands, products & services by ad spending

Rank '89	Rank '88	Brand, product, service & parent company	Category	Measured ad spending 1989	Measured ad spending 1988	% chg	Print media 1989	Print media 1988	Broadcast media 1989	Broadcast media 1988	Outdoor 1989	Outdoor 1988
1	1	**McDonald's restaurants**, McDonald's Corp.	Restaurants	$424,789.9	$400,527.5	6.1	$1,025.8	$6,644.8	$417,846.3	$387,580.5	$5,917.8	$6,302.2
2	2	**Kellogg's cereals**, Kellogg Co.	Food, cereal	373,331.3	354,577.8	5.3	7,462.6	6,306.0	365,868.7	348,271.8	0.0	0.0
3	4	**Sears, Roebuck & Co. stores**, Sears, Roebuck & Co.	Retail & misc	363,714.4	231,191.9	57.3	155,458.4	154,422.7	207,852.0	76,389.5	404.0	379.7
4	3	**AT&T**, AT&T Co.	Telephone	314,333.7	291,034.1	8.0	89,317.7	73,642.9	224,843.4	217,159.4	172.6	231.8
5	5	**Ford passenger cars**, Ford Motor Co.	Passenger cars	197,361.3	213,015.9	(7.3)	72,231.7	70,962.5	124,113.1	140,137.4	1,016.5	1,916.0
6	6	**Budweiser beer**, Anheuser-Busch Cos.	Beer	183,074.6	202,655.5	(9.7)	10,507.9	10,124.9	170,499.6	188,816.8	2,067.1	3,713.8
7	7	**Chevrolet passenger cars**, General Motors Corp.	Passenger cars	180,551.0	184,041.2	(1.9)	72,021.9	66,874.2	105,832.8	116,038.1	2,696.3	1,128.9
8	18	**Nissan passenger cars**, Nissan Motor Co.	Passenger cars	173,595.1	118,623.0	46.3	15,175.2	30,653.4	158,028.6	87,027.0	391.3	942.6
9	10	**Burger King restaurants**, Grand Metropolitan PLC	Restaurants	170,358.5	152,816.9	11.5	566.8	1,237.8	168,881.7	150,608.8	910.0	970.3
10	15	**Toyota passenger cars**, Toyota Motor Corp.	Passenger cars	162,014.8	123,072.9	31.6	27,860.9	29,289.9	133,636.5	93,102.4	517.4	680.6
11	8	**Miller beer**, Philip Morris Cos.	Beer	146,846.7	163,561.4	(10.2)	12,621.3	6,097.8	129,835.1	154,207.7	4,390.3	3,255.9
12	11	**Macy's stores**, R.H. Macy Co.	Retail & misc	146,806.0	147,096.7	(0.2)	130,416.8	131,637.8	16,320.0	15,082.5	69.2	376.4
13	12	**Oldsmobile passenger cars**, General Motors Corp.	Passenger cars	128,900.7	139,533.9	(7.6)	35,610.5	47,344.8	93,274.5	92,150.1	15.7	39.0
14	9	**K mart stores**, K mart Corp.	Retail & misc	128,741.4	159,050.9	(19.1)	67,973.9	66,306.5	60,767.5	92,629.4	0.0	115.0
15	28	**Mazda passenger cars**, Mazda Motor Corp.	Passenger cars	126,120.6	89,906.0	40.3	39,015.2	31,065.8	86,786.2	58,840.2	319.2	0.0
16	24	**American Express credit cards**, American Express Co.	Credit cards	123,801.5	103,385.5	19.7	32,709.7	32,658.0	90,845.5	70,723.2	246.3	4.3
17	35	**Ford trucks & vans**, Ford Motor Co.	Trucks & vans	120,685.4	79,282.9	52.2	36,857.4	28,372.4	83,138.9	50,809.9	689.1	100.6
18	25	**Kentucky Fried Chicken**, PepsiCo	Restaurants	118,400.7	100,623.2	17.7	571.7	543.9	117,158.1	99,308.0	670.9	771.3
19	16	**Wrigley's**, Wm. Wrigley Jr. Co.	Candy & gum	112,997.9	122,711.6	(7.9)	7,679.0	5,940.6	104,924.0	116,551.5	394.9	219.5
20	13	**Pontiac passenger cars**, General Motors Corp.	Passenger cars	111,602.6	128,947.3	(13.5)	17,365.9	27,247.5	94,084.6	101,340.5	152.1	359.3
21	38	**Subaru passenger cars**, Subaru of America	Passenger cars	110,487.7	74,189.3	48.9	16,824.7	15,300.1	92,583.6	58,888.4	1,079.4	0.8
22	19	**Buick passenger cars**, General Motors Corp.	Passenger cars	108,214.1	109,821.4	(1.5)	23,626.3	27,693.1	84,376.4	81,869.1	211.4	259.2
23	20	**Coors beer**, Adolph Coors Co.	Beer	105,167.0	108,810.0	(3.3)	2,997.2	3,327.5	98,609.1	102,668.7	3,560.7	2,813.8
24	14	**Chevrolet trucks**, General Motors Corp.	Trucks & vans	104,991.6	123,441.5	(14.9)	38,816.4	38,748.9	66,059.8	83,711.6	115.4	981.0
25	21	**Penneys stores**, J.C. Penney Co.	Retail & misc	104,796.3	106,715.5	(1.8)	63,476.6	57,178.6	41,301.6	49,493.0	18.1	43.9
26	45	**Universal City Studios**, MCA Inc.	Amusements	102,344.9	68,570.0	49.3	25,711.1	21,700.3	73,240.8	45,353.2	3,393.0	1,516.5
27	23	**Post cereals**, Philip Morris Cos.	Food, cereal	101,956.4	103,439.9	(1.4)	3,369.1	4,910.7	98,587.3	98,529.2	0.0	0.0
28	22	**Chrysler passenger cars**, Chrysler Corp.	Passenger cars	101,166.7	106,587.1	(5.1)	54,410.9	45,864.3	46,620.1	60,343.5	135.7	379.3
29	17	**Marlboro cigarettes**, Philip Morris Cos.	Cigarettes	100,750.5	119,207.4	(15.5)	68,943.0	87,987.6	0.0	3.5	31,807.5	31,216.3
30	34	**Pizza Hut restaurants**, PepsiCo	Restaurants	94,466.9	83,008.8	13.8	1,060.0	456.6	92,992.8	82,117.5	414.1	434.7
31	37	**Warner Bros.**, Time Warner	Movies	94,436.1	76,977.7	22.7	28,604.8	29,184.0	65,307.3	47,303.2	524.0	490.5
32	30	**Honda passenger cars**, Honda Motor Co.	Passenger cars	93,366.3	87,782.4	6.4	28,890.8	26,395.3	64,324.0	61,013.8	151.5	373.3
33	31	**Wendy's restaurants**, Wendy's International	Restaurants	92,523.0	86,222.7	7.3	126.6	77.6	90,955.2	84,398.5	1,441.2	1,746.6
34	48	**Folgers coffees**, Procter & Gamble Co.	Food, coffee	90,383.7	64,128.1	40.9	1,649.5	2,624.7	88,733.9	61,499.6	0.3	3.8
35	26	**IBM computers**, IBM Corp.	Computers	88,311.4	98,686.9	(10.5)	42,080.7	42,294.2	46,217.1	56,381.9	13.6	10.8
36	40	**Hyundai passenger cars**, Hyundai Group	Passenger cars	87,179.1	71,222.7	22.4	17,786.7	10,393.9	68,896.9	60,828.8	495.5	0.0
37	60	**Acura passenger cars**, Honda Motor Co.	Passenger cars	86,110.1	56,725.7	51.8	28,294.2	16,786.5	57,720.8	39,939.2	95.1	0.0
38	27	**Michelob beer**, Anheuser-Busch Cos.	Beer	85,515.3	95,095.8	(10.1)	4,459.9	5,830.5	80,750.5	88,925.8	304.9	339.5
39	36	**American Airlines**, AMR Corp.	Airlines	81,675.0	77,147.6	5.9	51,723.3	37,209.5	29,565.1	39,744.6	386.6	193.5
40	29	**Dodge passenger cars**, Chrysler Corp.	Passenger cars	80,590.8	87,982.6	(8.4)	28,023.6	24,244.6	52,532.2	63,677.2	35.0	60.8
41	52	**Circuit City store**, Circuit City Stores	Retail & misc	78,634.5	60,600.4	29.8	37,608.2	29,651.4	41,026.3	30,949.0	0.0	0.0
42	39	**United Air Lines**, UAL Corp.	Airlines	78,253.2	73,932.6	5.8	22,832.4	17,182.0	54,590.9	56,649.3	829.9	101.3
43	32	**Franklin Mint**, Franklin Mint	Misc	77,796.1	85,817.4	(9.3)	76,664.8	79,941.0	1,131.3	5,876.4	0.0	0.0
44	33	**Coca-Cola beverages**, Coca-Cola Co.	Soda	77,407.1	84,455.7	(8.3)	4,005.6	5,147.8	71,461.8	77,323.2	1,939.7	1,984.7
45	43	**Columbia Pictures**, Sony Corp.	Movies	76,894.1	69,876.0	10.0	17,421.7	19,451.0	59,388.7	50,408.0	83.7	17.0
46	44	**Tylenol pain reliever**, Johnson & Johnson	Pharmaceuticals	76,322.9	69,026.8	10.6	6,070.0	5,646.6	70,252.9	63,380.2	0.0	0.0
47	50	**Kodak cameras & accessories**, Eastman Kodak Co.	Photo	72,174.7	61,823.4	16.7	22,265.3	14,426.7	49,509.5	46,922.4	399.9	474.3
48	42	**Pepsi beverages**, PepsiCo	Soda	71,952.0	70,244.2	2.4	4,106.6	3,795.0	66,716.0	65,110.9	1,129.4	1,338.3
49	91	**Maxwell House coffees**, Philip Morris Cos.	Food, coffee	71,111.6	44,384.9	60.2	928.2	3,763.0	70,150.6	40,621.9	32.8	0.0
50	49	**Nabisco cookies & crackers**, RJR Nabisco	Food, misc	69,906.0	63,237.6	10.5	262.5	3,620.3	69,643.5	59,617.3	0.0	0.0
51	56	**Delta Air Lines**, Delta Air Lines	Airlines	68,639.5	58,748.1	16.8	31,575.7	25,942.0	35,404.9	31,477.6	1,658.9	1,328.5
52	75	**Cheerios cereal**, General Mills	Food, cereal	68,108.1	49,009.0	39.0	5,102.9	1,970.8	63,005.2	47,038.2	0.0	0.0
53	195	**Geo**, General Motors Corp.	Passenger cars	67,634.8	9,624.3	602.8	11,823.7	2,771.5	55,798.5	6,852.8	12.6	0.0
54	41	**Paramount Pictures**, Paramount Communications	Movies	67,443.1	70,425.5	(4.2)	20,546.0	22,209.2	46,837.3	48,177.0	59.8	39.3
55	103	**Mitsubishi passenger cars**, Mitsubishi Motors Corp.	Passenger cars	67,100.1	40,054.5	67.5	7,703.5	5,077.8	59,395.8	34,916.8	0.8	59.9
56	54	**Mercedes Benz passenger cars**, Daimler-Benz AG	Passenger cars	66,261.2	59,587.1	11.2	29,725.5	31,732.6	36,535.7	27,853.6	0.0	0.9
57	66	**Mercury passenger cars**, Ford Motor Co.	Passenger cars	65,585.6	54,409.5	20.5	25,769.0	15,209.3	38,639.7	39,104.2	1,176.9	96.0
58	79	**Montgomery Ward stores**, Montgomery Ward & Co.	Retail & misc	65,517.2	48,037.6	36.4	46,009.1	43,626.7	19,508.1	4,410.9	0.0	0.0
59	72	**Toyota trucks & vans**, Toyota Motor Corp.	Trucks & vans	62,969.2	49,672.6	26.8	10,746.6	8,658.1	52,180.3	40,873.4	42.3	141.1
60	86	**Hallmark stationary**, Hallmark Cards	Misc	62,039.0	46,074.3	34.6	13,563.9	11,102.5	48,475.1	34,971.8	0.0	0.0
61	94	**Dominos Pizza restaurants**, Dominos Pizza	Restaurants	60,120.6	42,008.1	43.1	418.0	660.5	59,236.2	41,051.3	466.4	296.3
62	63	**Dodge trucks & vans**, Chrysler Corp.	Trucks & vans	59,513.5	55,321.0	7.6	17,716.8	17,189.5	41,792.6	38,126.6	4.1	4.9
63	47	**Taco Bell restaurants**, PepsiCo	Restaurants	59,211.9	64,921.3	(8.8)	64.5	107.3	58,298.7	64,463.0	848.7	351.0
64	61	**Diet Coke**, Coca-Cola Co.	Soda	59,183.4	56,658.3	4.5	4,130.0	3,384.1	54,953.7	53,170.0	99.7	104.2
65	51	**BMW passenger cars**, BMW AG	Passenger cars	58,828.3	61,614.5	(4.5)	32,609.4	38,653.8	26,218.9	22,949.7	0.0	11.0
66	53	**U.S. Army**, U.S. Government	Misc	58,653.9	60,275.8	(2.7)	17,465.3	17,158.1	41,174.3	43,112.0	14.3	5.7
67	67	**Quaker cereal**, Quaker Oats Co.	Food, cereal	58,187.0	53,117.5	9.5	6,271.9	7,962.9	51,902.4	45,148.0	12.7	6.6
68	71	**Red Lobster Inns restaurants**, General Mills	Restaurants	57,965.7	50,789.6	14.1	46.0	94.2	57,612.6	50,475.5	307.1	219.9
69	76	**Diet Pepsi**, PepsiCo.	Soda	57,229.0	48,469.5	18.1	2,514.7	1,649.6	54,638.5	46,791.3	75.8	28.6
70	46	**Kraft cheeses**, Philip Morris Cos.	Food, cheese	57,077.7	67,968.6	(16.0)	7,725.6	9,631.8	49,352.1	58,336.8	0.0	0.0
71	62	**Highland stores**, Highland Superstores	Retail & misc	56,795.4	55,579.2	2.2	36,244.4	32,786.1	20,551.0	22,792.8	0.0	0.3
72	70	**Touchstone Films**, Walt Disney Co.	Movies	56,686.3	51,222.3	10.7	12,201.6	11,894.3	44,484.7	39,328.0	0.0	0.0
73	64	**Merit cigarettes**, Philip Morris Cos.	Cigarettes	54,222.5	55,184.5	(1.7)	48,950.2	49,392.7	0.0	0.0	5,272.3	5,791.8
74	58	**Volkswagen passenger cars**, Volkswagen AG	Passenger cars	52,484.3	57,419.8	(8.6)	12,413.2	16,884.0	40,038.2	40,492.9	32.9	42.9
75	55	**20th Century-Fox**, News Corp.	Movies	52,365.0	58,812.7	(11.0)	12,117.4	15,742.1	40,247.6	43,070.6	0.0	0.0
76	166	**Tide laundry products**, Procter & Gamble Co.	Cleaners	52,163.9	24,656.8	111.6	5,785.2	2,687.8	46,012.9	21,581.9	365.8	387.1
77	74	**Clairol hair coloring products**, Bristol-Myers Squibb Co.	Toiletries	51,917.9	49,246.8	5.4	15,904.9	12,984.7	36,012.8	36,262.1	0.2	0.0
78	83	**Orion Pictures**, Orion Pictures Corp.	Movies	51,601.3	46,440.9	11.1	12,793.1	14,364.6	38,791.4	32,068.8	16.8	7.5
79	89	**Radio Shack store**, Tandy Corp.	Retail & misc	51,524.2	44,556.5	15.6	30,152.1	26,295.5	21,372.1	18,261.0	0.0	0.0
80	169	**Kraft salad dressing & mayonnaise**, Philip Morris Cos.	Food, condiments	51,462.4	23,976.8	114.6	9,738.4	4,203.4	41,724.0	19,773.4	0.0	0.0
81	110	**Northwest Airlines**, NWA Inc.	Airlines	50,836.9	38,169.1	33.2	30,457.0	14,400.0	20,139.1	23,280.9	240.8	488.2
82	65	**True Value stores**, Cotter & Co.	Retail & misc	50,562.8	54,672.5	(7.5)	8,831.4	6,569.7	41,645.4	48,033.0	86.0	69.8
83	68	**Campbell's soups**, Campbell Soup Co.	Food, soup	49,827.5	52,483.1	(5.1)	7,580.0	7,265.8	41,832.8	44,240.7	414.7	976.6
84	115	**Mattel toys**, Mattel Inc.	Toys	49,538.4	36,382.5	36.2	6,657.3	4,780.1	42,881.1	31,602.4	0.0	0.0
85	82	**Levis sportswear**, Levi Strauss & Co.	Apparel	49,455.8	46,621.1	6.1	1,022.6	3,984.0	48,411.1	42,559.9	22.1	77.2
86	57	**Hasbro toys**, Hasbro Inc.	Toys	49,258.6	57,594.9	(14.5)	54.2	30.1	49,204.4	57,564.8	0.0	0.0
87	92	**Newport cigarettes**, Loews Corp.	Cigarettes	48,759.3	44,226.2	10.2	19,379.7	15,964.3	0.0	0.0	29,379.6	28,261.9
88	90	**United Parcel air freight service**, UPS of America	Delivery, freight	48,553.3	44,428.3	9.3	6,947.4	5,991.5	41,605.9	38,404.5	0.0	32.3
89	81	**Advil pain reliever**, American Home Products Corp.	Pharmaceuticals	47,940.6	46,695.9	2.7	4,263.6	3,721.7	43,677.0	42,974.2	0.0	0.0
90	77	**Cadillac passenger cars**, General Motors Corp.	Passenger cars	47,922.6	48,396.0	(1.0)	11,809.3	13,270.6	36,074.3	35,091.3	39.0	34.1
91	73	**Continental Air Lines**, Texas Air Corp.	Airlines	47,759.6	49,252.2	(3.0)	39,721.8	42,834.3	7,145.9	5,612.3	891.9	805.6
92	80	**American Dairy promotions**, American Dairy Assn.	Associations	47,508.5	47,951.7	(0.9)	0.0	9.3	47,295.9	47,726.0	212.6	216.4
93	127	**Purina dog food**, Ralston Purina Co.	Pet food	47,176.5	33,253.3	41.9	18,599.7	9,968.8	28,553.2	23,284.5	23.6	0.0
94	129	**Tropicana juices**, Seagram Co.	Food, juice	46,794.7	32,504.9	44.0	665.0	492.8	46,128.0	32,012.1	1.7	0.0
95	85	**TWA Airlines**, Trans World Airlines	Airlines	46,430.3	46,376.9	0.1	33,494.4	31,218.8	12,529.5	14,884.4	406.4	273.7
96	106	**Prudential Life Ins.**, Prudential Insurance Co. of America	Insurance	46,122.2	39,377.3	17.1	8,633.6	8,028.9	37,488.6	31,342.3	0.0	6.1
97	NA	**Lexus**, Toyota Motor Corp.	Passenger cars	46,025.0	0.0	NA	15,919.8	0.0	30,105.2	0.0	0.0	0.0
98	109	**U.S. Postal Service**, U.S. Government	Delivery, freight	45,212.6	38,221.1	18.3	14,753.0	12,105.8	29,759.7	25,218.7	699.9	896.6
99	95	**Midas Muffler shops**, Whitman Corp.	Retail & misc	44,713.6	41,783.1	7.0	356.6	588.1	44,307.2	41,129.5	49.8	55.5
100	134	**Oil of Olay creams & lotions**, Procter & Gamble Co.	Toiletries	44,709.4	31,600.1	41.5	20,163.1	11,802.1	24,546.3	19,798.0	0.0	0.0

Notes: Dollars are in thousands. Print media includes magazine, Sunday magazine and newspaper spending. Broadcast media includes network, spot and syndicated TV, cable TV networks, and network radio. Source: LNA/Arbitron Multi-Media Service

Brands, products & services by ad spending

Rank '89	Rank '88	Brand, product, service & parent company	Category	Total measured ad spending 1989	Total measured ad spending 1988	% chg	Print media 1989	Print media 1988	Broadcast media 1989	Broadcast media 1988	Outdoor 1989	Outdoor 1988
101	133	**Virginia Slims cigarettes**, Philip Morris Cos.	Cigarettes	$44,360.8	$31,931.1	38.9	$33,596.1	$23,335.5	$0.0	$0.0	$10,764.7	$8,595.6
102	93	**MCI**, MCI Communications Corp.	Telephone cos.	44,293.7	42,611.7	3.9	7,142.3	5,926.7	37,131.9	36,664.0	19.5	21.0
103	105	**CBS TV network**, CBS Inc.	TV	43,834.1	39,389.0	11.3	37,289.6	35,720.2	5,510.6	3,630.3	1,033.9	38.5
104	78	**Eastern Air Lines passenger**, Texas Air Corp.	Airlines	43,764.3	48,149.9	(9.1)	37,495.1	41,766.1	6,092.5	5,908.2	176.7	475.6
105	148	**Goodyear tires**, Goodyear Tire & Rubber Co.	Passenger cars	43,364.4	27,776.5	56.1	26,161.5	11,921.9	17,092.4	15,764.8	110.5	89.8
106	114	**Jeep trucks & vans**, Chrysler Corp.	Trucks & vans	43,219.1	37,344.0	15.7	13,729.0	10,750.2	29,017.6	26,105.0	472.5	488.8
107	84	**Kroger food stores**, Kroger Co.	Retail, food	42,213.6	46,438.3	(9.1)	14,858.1	16,734.4	26,512.3	28,063.9	843.2	1,640.0
108	152	**Total cereal**, General Mills	Cereal (food)	42,015.0	27,094.9	55.1	178.3	144.9	41,836.7	26,950.0	0.0	0.0
109	102	**Pan Am Airlines passenger**, Pan American World Airways	Airlines	41,771.3	40,229.5	3.8	35,302.3	28,976.1	5,820.6	10,361.3	648.4	892.1
110	117	**US Sprint**, United Telecommunications	Telephone cos.	41,366.4	36,117.0	14.5	4,897.0	1,644.3	36,469.4	34,472.7	0.0	0.0
111	98	**Crest toothpaste**, Procter & Gamble Co.	Toiletries	40,908.1	41,016.7	(0.3)	5,515.0	6,024.6	35,393.1	34,983.1	0.0	9.0
112	139	**Discover credit card service**, Sears, Roebuck & Co.	Credit cards	40,853.1	31,006.2	31.8	1,343.6	275.4	39,426.0	30,730.8	83.5	0.0
113	108	**Lucky food stores**, American Stores Co.	Retail, food	40,628.2	39,271.7	3.5	24,520.6	22,675.4	15,609.7	15,665.0	497.9	931.3
114	97	**Hardees restaurants**, Imasco Ltd.	Restaurants	40,603.9	41,167.5	(1.4)	46.0	276.1	38,764.9	38,702.6	1,793.0	2,188.8
115	183	**Plymouth passenger cars**, Chrysler Corp.	Passenger cars	40,074.4	19,728.1	103.1	15,856.4	5,691.2	23,840.5	14,035.4	377.5	1.5
116	107	**Clorox laundry products**, Clorox Co.	Cleaners	38,363.5	39,353.5	(2.5)	5,550.6	721.2	32,579.2	38,632.3	233.7	0.0
117	136	**Stouffer frozen entrees**, Nestle SA	Food, misc.	38,192.0	31,541.4	21.1	7,321.5	8,183.2	30,870.5	23,358.2	0.0	0.0
118	59	**Benson & Hedges cigarettes**, Philip Morris Cos.	Cigarettes	37,615.8	57,363.1	(34.4)	30,519.5	47,789.6	0.0	0.0	7,096.3	9,573.5
119	69	**Federal Express air cargo**, Federal Express Corp.	Delivery, freight	36,504.9	51,547.3	(29.2)	8,649.4	7,244.3	27,843.7	44,297.9	11.8	5.1
120	168	**Home Box Office**, Time Warner	TV	36,108.4	24,050.8	50.1	7,859.2	14,789.5	28,125.1	9,190.3	124.1	71.0
121	138	**Toys-R-Us stores**, Toys-R-Us	Retail, non-food	36,053.6	31,209.1	15.5	21,848.8	19,057.6	14,016.3	11,960.3	188.5	191.2
122	155	**Walgreen drugs**, Walgreen Co.	Retail, non-food	35,698.6	26,579.6	34.3	20,163.5	14,273.3	15,526.6	12,306.3	8.5	0.0
123	88	**Apple computers**, Apple Computer	Computers	35,597.7	44,688.1	(20.3)	13,708.7	11,813.0	21,889.0	32,861.5	0.0	13.6
124	153	**Kenner toys**, Tonka Corp.	Toys	35,574.6	27,007.7	31.7	94.8	391.0	35,479.8	26,616.7	0.0	0.0
125	99	**Colgate toothpaste & toothbrushes**, Colgate-Palmolive Co.	Toiletries	35,556.9	40,827.0	(12.9)	5,166.1	4,484.2	29,714.9	35,610.7	675.9	732.1
126	87	**Safeway stores**, Safeway Stores	Retail, food	35,492.6	45,453.5	(21.9)	19,142.3	28,877.9	15,407.3	16,052.0	943.0	523.6
127	156	**Isuzu trucks**, Isuzu Ltd.	Trucks & vans	35,206.9	26,201.9	34.4	11,265.3	4,964.1	23,938.1	21,230.8	3.5	7.0
128	162	**MasterCard credit card services**, MasterCard International	Credit cards	34,998.2	25,976.4	34.7	4,771.7	6,268.6	30,186.8	19,663.8	39.7	44.0
129	187	**Jewel stores**, American Stores Co.	Retail, food	34,685.7	18,982.2	82.7	25,842.2	9,399.9	8,843.5	9,582.3	0.0	0.0
130	132	**Du Pont carpets**, E.I. dupont de Nemours & Co.	Miscellaneous	34,664.3	31,961.9	8.5	6,912.2	2,721.3	27,751.1	29,230.1	1.0	10.5
131	196	**Tri Star Pictures**, Sony Corp.	Movies	34,161.1	9,429.9	262.3	10,242.7	4,149.9	23,881.4	5,280.0	37.0	0.0
132	119	**Citicorp banking svcs**, Citicorp	Miscellaneous	33,894.4	35,040.7	(3.3)	10,691.3	6,631.1	23,196.8	28,409.6	6.3	0.0
133	122	**Lens Crafters opticians stores**, U.S. Shoe Corp.	Optical	33,428.8	34,893.5	(4.2)	1,934.0	1,168.5	31,383.7	33,703.5	111.1	21.5
134	182	**Norelco shavers**, Philips NV	Miscellaneous	33,244.4	20,524.6	62.0	7,891.4	3,293.1	25,352.2	17,215.9	0.8	15.6
135	145	**Citibank credit card services**, Citicorp	Credit cards	33,102.8	29,072.2	13.9	5,333.3	5,734.3	27,769.5	23,337.9	0.0	0.0
136	125	**NBC TV network**, General Electric Co.	TV	33,076.6	34,635.4	(4.5)	29,909.4	32,711.4	3,088.4	1,914.6	78.8	9.4
137	163	**Reebok sporting footwear**, Reebok International	Apparel, shoes	33,024.7	25,735.7	28.3	5,662.7	6,113.6	27,358.3	19,543.2	3.7	78.9
138	116	**Fisher-Price toys**, Quaker Oats Co.	Toys	33,006.3	36,365.7	(9.2)	6,562.3	8,427.8	26,444.0	27,937.9	0.0	0.0
139	167	**Carlton cigarettes**, American Brands	Cigarettes	32,862.0	24,286.4	35.3	30,654.7	19,894.7	0.0	0.0	2,207.3	4,391.7
140	NA	**Infiniti passenger cars**, Nissan Motor Co.	Passenger cars	32,612.4	0.0	NA	17,122.8	0.0	15,489.6	0.0	0.0	0.0
141	101	**Lincoln passenger cars**, Ford Motor Co.	Passenger cars	32,458.5	40,316.6	(19.5)	13,426.2	16,332.3	18,962.8	23,963.3	69.5	21.0
142	124	**Vons stores**, Vons Cos.	Retail, food	32,357.8	34,793.1	(7.0)	23,434.4	24,763.3	8,894.5	9,842.1	28.9	187.7
143	96	**Time-Life books**, Time Warner	Miscellaneous	32,068.0	41,436.8	(22.6)	11,622.9	15,171.7	20,445.1	26,265.1	0.0	0.0
144	181	**Hanes underclothing**, Sara Lee Corp.	Apparel	31,680.8	20,651.6	53.4	4,618.0	5,147.1	27,062.8	15,504.5	0.0	0.0
145	179	**Texaco gasoline & oil**, Texaco Inc.	Oil & gas	31,612.4	21,693.6	45.7	7,011.8	2,968.6	24,591.4	18,707.3	9.2	17.7
146	144	**Beef Industry Council**, National Live Stock & Meat Board	Associations	31,471.6	29,747.4	5.8	9,138.4	2,302.2	22,326.1	27,445.2	7.1	0.0
147	193	**Nutri/System Weight Loss Centers**, Nutri/System	Diet aids	31,139.9	15,928.7	95.5	8,799.5	4,781.8	21,947.5	11,071.4	392.9	75.5
148	177	**Eagle passenger cars**, Chrysler Corp.	Passenger cars	30,916.6	22,261.5	38.9	10,187.3	4,804.9	20,729.3	17,456.6	0.0	0.0
149	149	**Hershey candies**, Hershey Foods Corp.	Candy & gum	30,888.2	27,516.7	12.3	4,085.9	5,778.8	26,802.3	21,734.8	0.0	3.1
150	186	**Minute Maid juices**, Coca-Cola Co.	Food, juice	30,834.5	19,246.0	60.2	11,089.2	1,054.1	19,633.8	17,969.4	111.5	222.5
151	154	**Giant food stores**, Ahold International	Retail, food	30,826.7	26,694.5	15.5	27,483.6	23,684.9	3,327.8	3,009.6	15.3	0.0
152	131	**Nike sporting footwear**, Nike Inc.	Apparel, shoes	30,765.8	32,100.3	(4.2)	12,443.7	13,207.5	18,060.0	18,825.0	262.1	67.8
153	135	**ABC TV network**, Capital Cities/ABC	TV	30,763.6	31,577.2	(2.6)	29,107.0	30,431.9	1,656.6	1,112.4	0.0	32.9
154	123	**Jell-O gelatins & puddings**, Philip Morris Cos.	Food	30,681.3	34,838.8	(11.9)	3,242.0	4,432.4	27,439.3	30,385.8	0.0	20.6
155	120	**Eveready batteries & flashlights**, Ralston Purina Co.	Batteries	30,426.5	35,025.9	(13.1)	2,290.2	5,046.2	28,136.3	29,829.3	0.0	150.4
156	164	**General Foods International Coffee**, Philip Morris Cos.	Food, coffee	30,360.2	25,083.4	21.0	4,287.2	4,008.9	26,073.0	21,074.5	0.0	0.0
157	128	**Duracell batteries**, Duracell Inc.	Batteries	30,355.9	32,863.9	(7.6)	1,943.6	3,151.0	28,412.3	29,712.9	0.0	0.0
158	173	**Hyatt hotels**, Elsinore Corp.	Hotels	29,824.5	23,380.8	27.6	25,151.1	18,447.1	4,193.0	4,516.0	480.4	417.7
159	137	**Capri cigarettes**, B.A.T. Industries	Cigarettes	29,638.1	31,322.9	(5.4)	23,652.7	18,072.0	0.0	0.0	5,985.4	13,250.9
160	159	**Nuprin pain reliever**, Bristol-Myers Squibb Co.	Pharmaceuticals	29,619.9	26,027.0	13.8	2,028.6	1,239.1	27,591.3	24,787.9	0.0	0.0
161	121	**Salem cigarettes**, RJR Nabisco	Cigarettes	29,605.6	34,942.8	(15.3)	16,903.2	14,703.2	0.0	0.0	12,702.4	20,239.6
162	174	**Gillette shaving products**, Gillette Co.	Toiletries	29,441.0	23,328.6	26.2	6,112.3	2,576.9	23,328.7	20,411.7	0.0	340.0
163	104	**MGM/UA**, MGM/UA Communications Co.	Movies	29,344.0	39,684.6	(26.1)	8,650.5	14,042.1	20,543.2	25,595.3	150.3	47.2
164	180	**Pearle Visions Centers**, Grand Metropolitan PLC	Optical	29,162.7	21,625.3	34.9	9,240.2	3,811.8	19,885.1	17,803.8	37.4	9.7
165	165	**Huggies diapers**, Kimberly-Clark Corp.	Diapers	29,062.6	24,943.8	16.5	2,082.2	2,065.3	26,980.4	22,877.3	0.0	1.2
166	112	**Anacin pain reliever**, American Home Products Corp.	Pharmaceuticals	29,044.4	37,893.7	(23.4)	517.5	432.3	28,526.9	37,461.4	0.0	0.0
167	157	**GMC trucks & vans**, General Motors Corp.	Trucks & vans	28,929.1	26,107.8	10.8	13,527.4	15,787.8	15,237.9	10,220.0	163.8	100.0
168	178	**Royal Caribbean Cruise Line**, Royal Caribbean Cruise Line	Non-airline travel	28,790.0	22,209.7	29.6	11,024.6	9,795.2	17,765.4	12,414.5	0.0	0.0
169	113	**GE products**, General Electric Co.	Miscellaneous	28,751.6	37,803.8	(23.9)	352.9	190.4	28,398.7	37,609.9	0.0	3.5
170	118	**Winn-Dixie food stores**, Winn-Dixie Stores	Retail, food	28,615.0	35,429.1	(19.2)	3,962.4	10,041.7	24,627.5	25,248.2	25.1	139.2
171	140	**Busch beer**, Anheuser-Busch Cos.	Beer	28,569.9	30,930.0	(7.6)	116.1	113.9	27,932.0	30,156.0	521.8	660.1
172	143	**De Beers jewelry**, De Beers Consolidated Mines	Miscellaneous	28,563.7	29,896.0	(4.5)	14,214.5	19,437.1	14,322.1	10,458.9	27.1	0.0
173	147	**Holiday Inn hotels**, Holiday Corp.	Hotels	28,526.3	27,800.7	2.6	8,611.1	8,219.6	17,115.1	16,368.0	2,800.1	3,213.1
174	126	**Leggs hosiery**, Sara Lee Corp.	Apparel	28,314.2	34,064.8	(16.9)	7,638.4	11,359.4	20,675.8	22,705.4	0.0	0.0
175	160	**Polaroid cameras & accessories**, Polaroid Corp.	Photography	27,851.1	26,003.4	7.1	5,906.7	3,943.9	21,905.3	21,966.2	39.1	93.3
176	197	**Upjohn promotion**, Upjohn Co.	Miscellaneous	27,541.4	5,295.5	420.1	5,987.1	1,160.0	21,554.3	4,135.5	0.0	0.0
177	185	**Head & Shoulders, shampoos, cond.**, Procter & Gamble Co.	Toiletries	27,469.2	19,400.1	41.6	449.6	16.5	27,019.6	19,381.5	0.0	2.1
178	190	**Epson computers**, Hattori Corp.	Computers	27,423.0	18,168.1	50.9	16,425.9	9,503.3	10,986.0	8,664.8	11.1	0.0
179	150	**Nyquil cold products**, Procter & Gamble Co.	Pharmaceuticals	27,405.2	27,504.7	(0.4)	641.8	2,342.8	26,763.4	25,161.9	0.0	0.0
180	198	**Alpine cigarettes**, Philip Morris Cos.	Cigarettes	27,263.0	1,056.8	2,479.8	18,259.6	996.9	0.0	0.0	9,003.4	59.9
181	111	**Merrill Lynch brokerage svcs**, Merril Lynch & Co.	Miscellaneous	27,244.6	38,084.9	(28.5)	8,672.7	10,140.1	18,480.9	27,938.9	91.0	5.9
182	151	**7UP beverages**, Dr Pepper/Seven-Up Cos.	Soft drinks	27,236.7	27,255.0	(0.1)	160.3	896.6	26,953.5	25,928.7	122.9	429.7
183	170	**Camel cigarettes**, RJR Nabisco	Cigarettes	27,222.0	23,903.3	13.9	15,577.0	10,970.3	0.0	0.0	11,645.0	12,933.0
184	158	**American Express Travelers Checks**, American Express Co.	Miscellaneous	27,172.6	26,068.3	4.2	843.8	2,705.2	26,328.8	23,363.1	0.0	0.0
185	194	**USAir**, USAir Group	Airlines	27,063.3	15,399.3	75.7	7,791.3	7,197.1	17,456.5	7,106.3	1,815.5	1,095.9
186	161	**Long John Silvers restaurants**, Jerrico Inc.	Restaurants	27,036.8	25,984.8	4.0	307.1	99.1	26,650.5	25,793.8	79.2	91.9
187	171	**Eckerd drugstores**, Jack Eckerd Corp.	Retail, non-food	27,005.6	23,615.6	14.4	5,264.1	4,029.8	21,369.8	19,413.8	371.7	172.0
188	130	**Mervyn's**, Dayton Hudson Corp.	Retail, non-food	26,883.9	32,483.7	(17.2)	23,309.5	28,363.6	3,574.4	4,085.0	0.0	35.1
189	100	**Visa credit card services**, Visa International	Credit cards	26,810.3	40,571.9	(33.9)	3,284.1	2,912.0	23,521.3	37,659.3	4.9	0.6
190	146	**Heinz condiments**, H.J. Heinz Co.	Food, condiments	26,794.1	28,457.7	(5.8)	5,697.7	3,938.2	21,096.4	24,519.5	0.0	0.0
191	189	**Excedrin pain relievers**, Bristol-Myers Squibb Co.	Pharmaceuticals	26,043.8	18,502.7	40.8	0.0	0.0	25,918.5	18,502.7	125.3	0.0
192	188	**Silo stores**, Dixons Group	Retail, non-food	25,979.1	18,639.1	39.4	16,280.8	9,033.1	9,698.3	9,605.5	0.0	0.5
193	175	**Jack in The Box restaurants**, Foodmaker Inc.	Restaurants	25,763.9	22,943.9	12.3	33.0	35.1	25,639.7	22,649.5	91.2	259.3
194	192	**Saab passenger cars**, Saab-Scania AB	Passenger cars	25,717.5	17,491.6	47.0	17,721.6	15,552.2	7,992.0	1,938.8	3.9	0.6
195	184	**NutraSweet sweetener**, Monsanto Co.	Food	25,643.7	19,488.2	31.6	3,462.6	4,068.0	22,181.1	15,420.2	0.0	0.0
196	191	**7-Eleven food stores**, Southland Corp.	Retail, food	25,593.1	18,165.2	40.9	2,112.5	1,263.6	21,538.2	14,827.3	1,942.4	2,074.3
197	176	**Tyco toys**, Savoy Industries	Toys	25,531.0	22,662.1	12.7	1,546.3	1,864.3	23,984.7	20,797.8	0.0	0.0
198	142	**Milton Bradley games**, Hasbro Inc.	Toys	25,442.6	30,247.4	(15.9)	469.4	558.7	24,973.2	29,687.5	0.0	1.2
199	141	**Playskool toys**, Hasbro Inc.	Toys	25,421.1	30,914.5	(17.8)	3,327.8	3,082.9	22,093.3	27,831.6	0.0	0.0
200	172	**Disney World Amusement Park**, Walt Disney Co.	Amusements	25,270.2	23,569.8	7.2	0.0	0.0	25,182.7	23,569.8	87.5	0.0

Notes: Dollars are in thousands. Print media includes magazine, Sunday magazine and newspaper spending. Broadcast media includes network, spot and syndicated TV; cable TV networks, and network radio. **Source:** LNA/Arbitron Multi-Media Service.

DIRECT MARKETING AGENCY REPORT

Ted Carr

Busy direct shops soar 12%

Data-base development and package goods tapped as biggest growth areas

By Kenneth Wylie

Despite continual grumbling over the high cost of mailing, advertisers' direct-mail activities pushed the direct-response business to record revenue levels, according to *Advertising Age's* exclusive survey of direct-response agencies.

The boom in direct mail, along with substantial spending in direct-response broadcast efforts, helped direct the industry back into the double-digit growth column in 1989 with a 12% gain in billings, up from a 9.6% gain in 1988.

But the future looks a lot like the past, with 80 agency executives surveyed by *Advertising Age* estimating the industry will grow only 9.5% this year.

Last year's spending increase, monitored for 200 agencies with direct-response activities, propelled billings to $3.8 billion compared with $3.4 billion in 1988.

The industry's 12% leap looks particularly impressive when judged against the 6.9% growth figure in billings of advertising agencies.

Matching the growth pace of direct marketing—and again keeping well ahead of the pack—is No. 1 Ogilvy & Mather Direct, New York, an independent WPP Group unit that posted 1989 U.S. direct-response billings of $305 million, up 12.1%.

Wunderman Worldwide, a Young & Rubicam subsidiary, remained No. 2 despite a drop of 1.4% in billings to $262.4 million for the year.

These hefty totals don't indicate the magnitude of direct-response activity by U.S.-based shops.

The top two agencies, for example, had combined non-U.S. billings of $655.3 million, an aggregate greater than their U.S. billings and up 15.7% from the prior year. Such growth from foreign business is causing more U.S. direct-response agencies to look for international business.

In a companion survey of 80 fully direct-response agencies, 42.5% expect international growth to be a factor contributing to 1990 agency growth. Many of those agencies also entered this year without foreign billings.

Agencies in the study were less bullish on overall growth trends, however. The anticipated dip in growth this year is attributed to the expected postal rate increase and higher printing costs.

Agencies particularly see the proposed rate increases next January by the U.S. Postal Service—22% for second class and 17% for third class—cutting into their growth.

The agencies say clients, as a result of the rate boost, most likely will reduce the size and number of their mailings; exploring alternate delivery was the third most likely option *(see related story on P. S-4)*

Direct mail, at $1.03 billion, accounted for 57.5% of $1.79 billion in direct-response media spending by the 200 agencies. Markups for materials and services and fee income are other components of total billings volume.

While direct mail accounted for the bulk of media spending, radio recorded the sharpest increase, up 28.8% to $49 million. TV climbed 20.5% to $332.5 million. Print edged upward 4.8% to $278 million.

The leading growth agency among the 10 largest direct-response shops is Lintas:Marketing Communications, New York, whose billings soared 111% to $107.5 million. Lintas attributed the growth to a surge in business from its advertising clients into direct response.

Next in growth among the 10 leaders was Kobs & Draft, Chicago, rising nearly 30% to $116.9 million in 1989. Kobs & Draft was surprised by its rapid growth, which came from new accounts and existing clients; the company has projected only 10% growth entering 1989.

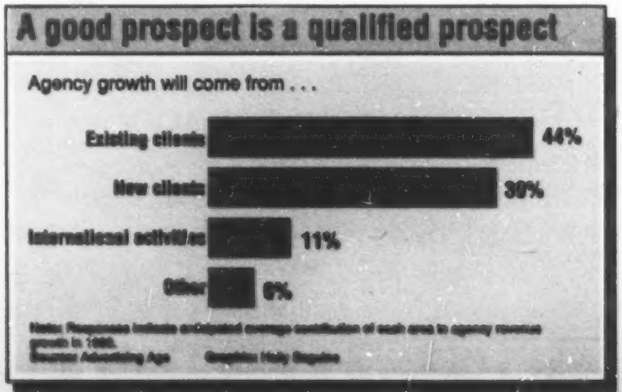
Forty percent of the shops identified package goods as the prime source of future industry growth for their agencies. This was by far the largest percentage attributed to an industry category. Another 17.5% of the agencies identified package goods as their second or third most likely source of growth.

The study shows a need for many agencies not only to build up their direct-response services, but also to develop a more universal mission that encompasses non-direct-response disciplines and international expansion.

The greatest potential for

(Continued on Page S-6)

A good prospect is a qualified prospect



Top U.S.-based agencies by direct-response volume

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
1	1	**Ogilvy & Mather Direct**, New York	$304,980	$272,000	12.1	24.0%	0.4%	6.6%	65.4%	Jerome Pickholz, chmn/ceo	(212) 237-6000	✓
2	2	**Wunderman Worldwide**, New York	262,391	266,100	(1.4)	18.0%	0.2%	15.9%	NA	Lester Wunderman, chmn	(212) 909-0100	✓
3	4	**FCB/Direct**, Los Angeles	227,800	200,700	13.5	1.4%	0.9%	6.2%	91.5%	Freeman F. Gosden Jr., chmn	(213) 312-7222	✓
4	3	**Rapp Collins Marcoa**, Chicago	226,000	236,300	(4.4)	7.9%	0.7%	13.9%	30.4%	David Hefter, chmn, ceo	(312) 454-0660	✓
5	5	**Direct Marketing Group**, New York	149,600	152,900	(2.2)	NA	NA	NA	NA	John A. DePasquale, chmn	(212) 355-2530	
6	6	**Grey Direct International**, New York	119,000	108,000	10.2	10.1%	NA	25.2%	53.8%	Edward H. Meyer, president, chmn	(212) 303-2300	✓
7	7	**Kobs & Draft Advertising**, Chicago	116,900	90,215	29.6	15.3%	2.4%	13.4%	9.0%	R. E. Meyers, exec vp, cfo	(312) 944-3500	
8	17	**Lintas:Marketing Communications**, New York	107,522	50,900	111.2	NA	NA	NA	NA	Tom Turner, exec vp	(212) 605-8000	✓
9	8	**Barry Blau & Partners**, Fairfield, Conn.	101,175	85,304	18.6	NA	NA	NA	100.0%	Barry Blau, chmn	(203) 254-3700	✓
10	13	**HDM Worldwide Direct**, Los Angeles	92,401	57,094	61.8	NA	NA	NA	NA	Murray R. Bowes, chmn, ceo	(213) 930-5100	✓
11	10	**Devon Direct Marketing & Advertising**, Malvern, Pa.	82,000	66,200	23.9	NA	NA	NA	57.2%	R. Greene, J.T. Perry, mgng dirs	(215) 644-0333	✓
12	9	**Bronner Slosberg Associates**, Boston	79,789	68,824	15.9	NA	NA	NA	NA	Michael E. Bronner, ceo	(617) 737-2020	
13	12	**Customer Development Corp.**, Peoria, Ill.	68,873	58,096	18.6	NA	NA	NA	NA	Thomas C. Lund, president	(309) 686-1900	
14	22	**Kresser, Craig/D.I.K.**, Los Angeles	66,249	42,638	55.4	52.2%	16.6%	7.8%	NA	C. Robert Kresser, chmn, ceo	(213) 553-8254	✓
15	19	**DMCA Direct**, St. Louis	61,345	47,085	30.3	NA	NA	NA	NA	Michael T. McSweeney, president, ceo	(314) 436-1122	
16	14	**Lowe Marschalk**, New York	55,000	55,000	0.0	5.0%	10.0%	25.0%	55.0%	J. Robert Lieber, sr vp, dir mktg	(212) 708-8800	
17	11	**Saatchi & Saatchi Direct**, Rochester, N.Y.	54,911	59,148	(7.2)	NA	NA	2.1%	NA	Richard A. Peters, chairman, ceo	(716) 272-2500	✓
18	15	**FKB Direct**, Nashville	54,504	54,527	(0.0)	NA	NA	NA	NA	Jim Edwards, chmn	(615) 366-1844	
19	18	**Lally, McFarland & Pantello**, New York	54,400	50,400	7.9	0.4%	NA	11.0%	57.4%	Ronald G. Pantello, president	(212) 532-1000	✓
20	16	**Chapman Direct Advertising**, New York	48,198	51,650	(6.7)	4.1%	NA	5.6%	77.2%	William P. Sutherland, president	(212) 614-3880	✓
21	23	**Ayer Direct**, New York	48,000	40,086	19.7	NA	NA	NA	NA	Beverly Beaudoin, sr vp, gen mgr	(212) 474-6352	✓
22	26	**Saugatuck/FKB**, Westport, Conn.	47,676	36,591	30.3	0.6%	0.1%	1.0%	NA	Donald J. White, coo	(203) 226-8166	
23	24	**GSP Marketing Services**, Chicago	43,448	39,400	10.3	NA	NA	NA	NA	Richard Grunsten, president	(312) 944-3000	✓
24	20	**McCann Direct**, New York	40,000	46,000	(13.0)	NA	NA	NA	NA	John Penberthy, sr vp genl mgr	(212) 697-6000	✓
25	29	**Walter Latham Co.**, Broadview, Ill.	39,000	33,000	18.2	NA	NA	NA	41.0%	Robert Soljacich, president	(708) 345-8787	
26	30	**Hill, Holliday, Connors, Cosmopulos**, Boston	35,945	28,805	24.8	34.6%	NA	14.1%	24.6%	George J. Hill III, chmn	(617) 437-1600	✓
27	25	**Ross Roy Group**, Bloomfield Hills, Mich.	35,291	36,632	(3.7)	NA	NA	NA	NA	Len Short, sr super	(313) 433-6000	✓
28	21	**McCaffrey & McCall**, New York	35,000	43,000	(18.6)	14.3%	NA	11.4%	NA	Robert Cherins, chairman, ceo	(212) 350-1000	
28	67	**Perkins/Butler Direct Marketing**, New York	35,000	7,000	400.0	NA	NA	NA	NA	Robert J. Perkins, ceo	(212) 243-6868	
30	31	**Earle Palmer Brown Direct**, Bethesda, Md.	30,183	25,200	19.8	NA	NA	NA	NA	Jeb Brown, ceo	(301) 657-6000	
31	36	**Manus Direct Response Marketing**, Seattle	29,888	22,981	30.1	NA	NA	NA	NA	Cliff Asplund, president	(206) 325-2200	✓
32	45	**Stenrich Group**, Glen Allen, Va.	29,021	16,659	74.2	NA	NA	NA	NA	Steven R. Isaac, president	(804) 747-1202	
33	37	**Steinert & Associates**, New York	27,500	21,277	29.2	NA	NA	15.0%	70.0%	Jan Allan Steinert, president, ceo	(212) 889-5000	
34	27	**Della Femina, McNamee**, New York	27,465	35,265	(22.1)	NA	NA	NA	NA	Jerry Della Femina, chmn, ceo	(212) 886-4100	
35	32	**DMB&B Direct**, New York	25,773	24,598	4.8	5.8%	NA	1.3%	49.9%	Craig D. Brown, cfo	(212) 468-3622	✓
36	33	**Lawrence Butner Advertising**, New York	25,240	24,338	3.7	63.9%	11.9%	3.5%	3.3%	Lawrence Butner, president	(212) 682-3200	✓
37	28	**Bozell Direct**, New York	23,300	34,100	(31.7)	3.6%	13.1%	NA	NA	Tim Fenton, president	(212) 727-5000	✓
38	42	**Brierley & Partners**, Dallas	23,181	17,925	29.3	NA	NA	0.4%	24.7%	Harold M. Brierley, president	(214) 760-8700	
39	54	**Nash Direct**, New York	21,003	12,042	74.4	21.6%	3.1%	11.2%	9.0%	Edward Nash, president	(212) 758-0120	✓
40	38	**Advertising Works**, Honolulu	21,000	20,000	5.0	NA	NA	NA	NA	Darrel Kloninger, president	(808) 955-4416	
41	55	**Clarion Marketing & Communications**, Greenwich, Conn.	20,707	11,959	73.2	NA	NA	NA	NA	Raymond Rizzo, president	(203) 531-3600	✓
42	34	**Kallir, Philips, Ross**, New York	20,183	23,212	(13.0)	NA	NA	NA	NA	John Kallir, chmn, ceo	(212) 856-8400	✓
43	47	**Fox MMJM Direct**, New York	20,071	15,007	33.8	NA	NA	42.3%	44.8%	Neil S. Fox, president, ceo	(212) 683-0002	✓
44	49	**Jack Levy & Associates**, Chicago	19,871	14,236	39.6	NA	NA	NA	NA	Jack Levy, president	(312) 332-7540	
45	44	**Robert A. Becker WCRS**, New York	19,500	16,969	14.9	NA	NA	NA	NA	Robert A. Becker, chmn	(212) 727-7000	
46	40	**Admarketing**, Los Angeles	19,300	18,800	2.7	100.0%	NA	NA	NA	Jack Roth, president, ceo	(213) 203-8400	
47	35	**Intergroup Marketing & Promotions**, Bloomfield Hills, Mich.	19,202	23,035	(16.6)	NA	NA	NA	NA	Count Darling, ceo	(313) 433-5200	✓
48	43	**Sandven & Associates**, Overland Park, Kan.	18,679	17,775	5.1	NA	NA	NA	NA	Frederick M. Sandven, president	(913) 338-3600	
49	52	**Wilson Sculley Associates**, St. Louis	18,336	12,511	46.6	NA	NA	NA	57.1%	Valerie M. Wilson, chmn, ceo	(314) 434-1870	
50	72	**Williams Television Time**, Santa Monica, Calif.	18,220	5,808	213.7	99.9%	NA	NA	NA	Kathleen Williams, president, ceo	(213) 828-8600	✓
51	51	**Frank J. Corbett Inc.**, Chicago	18,000	12,900	39.5	NA	NA	NA	NA	Frank J. Corbett, chmn	(312) 664-5310	✓
52	41	**Cramer-Krasselt/Direct**, Chicago	17,429	18,409	(5.3)	9.7%	1.7%	24.6%	20.6%	Peter G. Krivkovich, president	(312) 616-9600	
53	39	**Marketing Resources**, Overland Park, Kan.	16,392	19,000	(13.7)	NA	NA	74.0%	NA	Frank G. Weyforth Jr., president, ceo	(913) 648-8333	✓
54	46	**Cabot Direct Marketing**, Boston	15,819	15,079	4.9	NA	NA	NA	NA	Suzanne Delise, vp, general mgr	(617) 242-7601	✓
55	70	**Kern/Mathai Advertising**, Santa Monica, Calif.	15,750	6,100	158.2	NA	NA	3.2%	41.7%	Russell M. Kern, president	(213) 452-0663	
56	50	**McClure & Co.**, Valley Forge, Pa.	15,001	13,406	11.9	1.6%	NA	1.0%	0.7%	Thomas R. McClure, president	215) 933-0933	✓
57	60	**Martin Marshall Jaccoma Mitchell**, New York	15,000	10,000	50.0	NA	NA	NA	NA	John Martin, president	(212) 683-0001	
58	56	**Tracy-Locke Direct**, Dallas	14,400	11,400	26.3	9.2%	6.3%	11.1%	NA	Howard Davis, chmn, ceo	(214) 969-9000	✓
59	61	**More Direct**, Minneapolis	13,584	9,034	50.4	NA	NA	0.8%	NA	Mark Morris, president	(612) 872-1616	
60	53	**Hal Langerman Co.**, Blue Bell, Pa.	12,656	12,287	3.0	NA	NA	10.0%	90.0%	Hal Langerman, president	(215) 653-0366	✓
61	48	**Townsend Agency**, Rosemont, Ill.	12,413	14,686	(15.5)	NA	0.1%	NA	8.3%	Gary Tillery, chmn	(708) 318-9010	✓
62	NA	**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	10,269	NA	NA	1.2%	1.2%	14.4%	0.4%	Ronald Davis, president, ceo	(616) 349-7711	
63	59	**Gross Townsend Frank Hoffman**, New York	10,000	10,000	0.0	NA	NA	NA	NA	Alan Gross, president	(212) 886-3000	✓
64	NA	**Berenson, Isham & Partners**, Boston	9,967	NA	NA	0.4%	0.4%	7.6%	NA	Paul S. Berenson, president	(617) 423-1120	✓
65	57	**Stone & Simons Advertising**, Southfield, Mich.	9,827	10,972	(10.4)	NA	NA	1.3%	2.9%	Charles G. Stone, president	(313) 358-4800	
66	65	**Ad Hoc Marketing Resources**, New York	9,620	7,260	32.5	NA	NA	1.4%	NA	Karen Hochman, president	(212) 947-7100	
67	62	**McKee Advertising**, Elk Grove Village, Ill.	9,469	9,023	4.9	NA	NA	18.6%	NA	Tom Behan, president	(708) 956-8188	✓
68	76	**Deutsch Inc.**, New York	8,828	4,506	95.9	22.1%	NA	19.1%	9.9%	James Aucone, president	(212) 995-7500	✓
69	58	**Abelson-Taylor**, Chicago	8,761	10,041	(12.7)	NA	NA	NA	NA	Marv Abelson, ceo	(312) 781-1700	✓
70	85	**Ketchum Communications**, Pittsburgh	8,678	4,162	108.5	NA	NA	NA	NA	William Genge, chmn	(412) 456-3500	✓
71	66	**Lorlz Direct Marketing**, Omaha	8,651	7,084	22.1	2.5%	3.1%	76.0%	3.1%	Gary Lortz, president	(402) 331-5740	✓
72	98	**W.B. Doner & Co.**, Southfield, Mich.	8,189	3,040	169.3	NA	NA	NA	NA	H.D. Fried, chmn, ceo	(313) 354-9700	
73	64	**Klemtner Advertising**, New York	7,900	7,900	0.0	NA	NA	NA	NA	Albert P. Molinaro Jr., chmn, ceo	(212) 463-3400	
74	90	**Messner Vetere Berger Carey Schmetterer**, New York	7,500	3,800	97.4	NA	NA	NA	NA	Robert Schmetterer, president, ptnr	(212) 886-0200	
75	142	**Wyse Direct**, Cleveland	7,150	500	1,330.0	NA	2.8%	2.8%	10.5%	Ted W. Grigg, president	(216) 696-2427	
76	87	**Lave & Associates Marketing**, Indianapolis	6,690	3,916	70.8	62.8%	1.4%	4.3%	5.3%	Martin A. Lave, president	(317) 872-0971	
77	68	**AC&R Direct Marketing**, New York	6,646	6,549	1.5	NA	NA	100.0%	NA	Lois Geller, president	(212) 685-2500	
78	69	**Modular Marketing**, New York	6,595	6,219	6.0	NA	NA	NA	NA	Harry A. Kraus, president	(212) 581-4690	
79	71	**Smith Lask Associates**, Chicago	6,413	5,965	7.5	NA	NA	0.7%	3.1%	Barbara Lask, president	(312) 222-1900	✓
80	75	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	6,411	4,881	31.3	NA	NA	11.0%	NA	Andy Fletcher, president, ceo	(816) 471-1880	✓
81	135	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa	6,338	732	765.6	NA	NA	NA	NA	F.C. Baker, president, ceo, chmn	(319) 395-6500	✓
82	84	**Direct Marketing Network**, New York	5,887	4,214	39.7	NA	0.2%	0.6%	NA	Edwin Forti, partner	(212) 247-5847	
83	100	**Carmichael Lynch**, Minneapolis	5,770	2,708	113.1	NA	NA	NA	NA	Lee Lynch, chmn, ceo	(612) 334-6222	✓
84	80	**Ronald James Direct**, Englewood, Colo.	5,519	4,336	27.3	NA	NA	NA	NA	James Pennington, president	(303) 220-1996	
85	83	**Girgenti, Hughes, Butler & McDowell**, New York	5,030	4,250	18.4	NA	NA	NA	NA	Steve Girgenti, president	(212) 481-7080	✓
86	82	**Pihas, Schmidt, Westerdahl Co.**, Portland, Ore.	5,028	4,289	17.2	NA	NA	NA	NA	John Pihas, president	(503) 279-4000	
87	77	**Ally & Gargano**, New York	5,000	4,500	11.1	NA	NA	NA	NA	William Luceno, ceo	(212) 688-5300	✓
87	77	**William Douglas McAdams Inc.**, New York	5,000	4,500	11.1	NA	NA	NA	NA	Irwin C. Gerson, chmn	(212) 698-6400	
89	73	**Sheldon Fredericks Advertising**, New York	4,988	5,373	(7.2)	10.0%	0.9%	27.1%	46.4%	Frederick A. Schwartz, president	(212) 867-0110	✓
90	79	**Medicus Intercon International**, New York	4,831	4,379	10.3	NA	NA	NA	NA	Lawrence J. Lesser, chmn, ceo	(212) 468-3100	✓
91	86	**Creative Direct Marketing Group**, Torrance, Calif.	4,613	4,159	10.9	3.6%	NA	0.6%	1.8%	Craig Huey, president	(213) 212-5727	
92	90	**Sader & Associates**, New York	4,473	3,800	17.7	45.5%	NA	11.4%	1.2%	Archie A. Sader, president	(212) 725-0770	✓
93	89	**Peter Vane Advertising**, New York	4,188	3,809	10.0	NA	NA	2.3%	6.4%	Peter Vane, president	(212) 679-8260	
94	88	**Weightman Group**, Philadelphia	4,036	3,883	3.9	NA	NA	NA	NA	Charles Coffey, chmn	(215) 561-6100	✓
95	63	**Grant/Jacoby**, Chicago	4,000	8,000	(50.0)	NA	NA	NA	NA	Bruce I. Carlson, chmn	(312) 664-2055	✓
96	94	**Al Paul Lefton Co./Lefton Direct**, Philadelphia	3,900	3,500	11.4	NA	NA	NA	34.4%	Al Paul Lefton Jr., president, ceo	(215) 923-9600	
97	96	**Slater Hoeft Martin**, New York	3,500	3,287	6.5	NA	NA	NA	NA	Jerry Martin, chmn	(212) 674-3100	
98	93	**Lee & Riley**, St. Paul, Minn.	3,479	3,597	(3.3)	NA	NA	NA	NA	Dick Lee, president	(612) 647-0384	✓
99	74	**Haynes & Pittenger Direct**, Indianapolis	3,420	4,961	(30.9)	0.6%	NA	0.3%	25.8%	Thomas J. Haynes, ceo	(317) 262-4800	✓
100	92	**Shaughnessy MacDonald**, Elk Grove Village, Ill.	3,389	3,668	(7.6)	NA	NA	91.6%	NA	David Shaughnessy, chmn	(708) 437-8850	

Notes: Dollars are in thousands. See Page 5-6 for methodology. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA

(Ranking continues on Page 5-6.)

Alternate delivery picks up the pace

By Janet Meyers

MAIL TROUBLE

To mailers, developing alternatives to the U.S. Postal Service is no longer a temporary bargaining chip. It's a long-term necessity.

Mailers have used alternate delivery in the past as a lever against Postal Service rate hikes.

Magazine publishers in 1980, for example, took credit for curbing an expected 9% increase in second-class rates with their alternate-delivery efforts. When rates rose only 2%, publishers virtually abandoned alternate delivery.

But a weighty, across-the-board rate increase in 1988, the Postal Service's deteriorating financial condition and a proposed average increase in January of 22% for second class and 17% for third-class mail have forced mailers and publishers to consider alternate delivery as a long-term solution.

Advertising Age's survey of direct-marketing agency executives shows serious consideration of alternate delivery as an option in the face of postal-rate increases.

When asked how their clients would react to the most recent postal-rate increase proposal, 32.8% of responding direct-marketing agency executives report alternate delivery to be one of three options most likely to be exercised by clients. Clients' most likely response, they speculate, is cutting down each mailing's pros-

(Continued on Page S-7)

Postage up, mailing down

The postal rate increase will result in . . .

Smaller mailings 30.0%
Fewer mailings 24.6%
Alternate delivery growth 13.0%
Production cuts 7.2%
Other 7.2%
Smaller direct-marketing budgets 5.8%
More use of non-mailed print media 5.8%
More co-op direct-response efforts 4.3%
More use of electronic media 2.9%

Note: Responses indicate percentage of agency executives identifying each area as their clients' most likely reaction to postal rate hike.
Source: Advertising Age Graphic: Holly Seguine

SURVEY BRIEF

Sample this item

Postal carriers beware! Mailbags aren't going to get any smaller this year. They actually may come only in an industrial-strength version to handle an increase in package-goods product samples and direct-response promotional pitches.

The direct-response agency executives surveyed by *Advertising Age* indicate package-goods clients hold the greatest revenue growth potential of any product or service category.

Package goods received 21.7% of the mentions to an open-ended question asking respondents to select five growth categories, followed closely by traditional direct-response powerhouse financial services (including insurance companies) with 20.8%.

The field dropped off dramatically to the No. 3 category of business-to-business, which received 9.2% of total mentions.

The remaining leading categories, in descending order, are travel and leisure (7.1%); retail (6.6%); automotive (5.3%); computers and high-tech (4%); communications and telecommunications (4%); healthcare (3.1%); and publications (2.7% of total mentions). □

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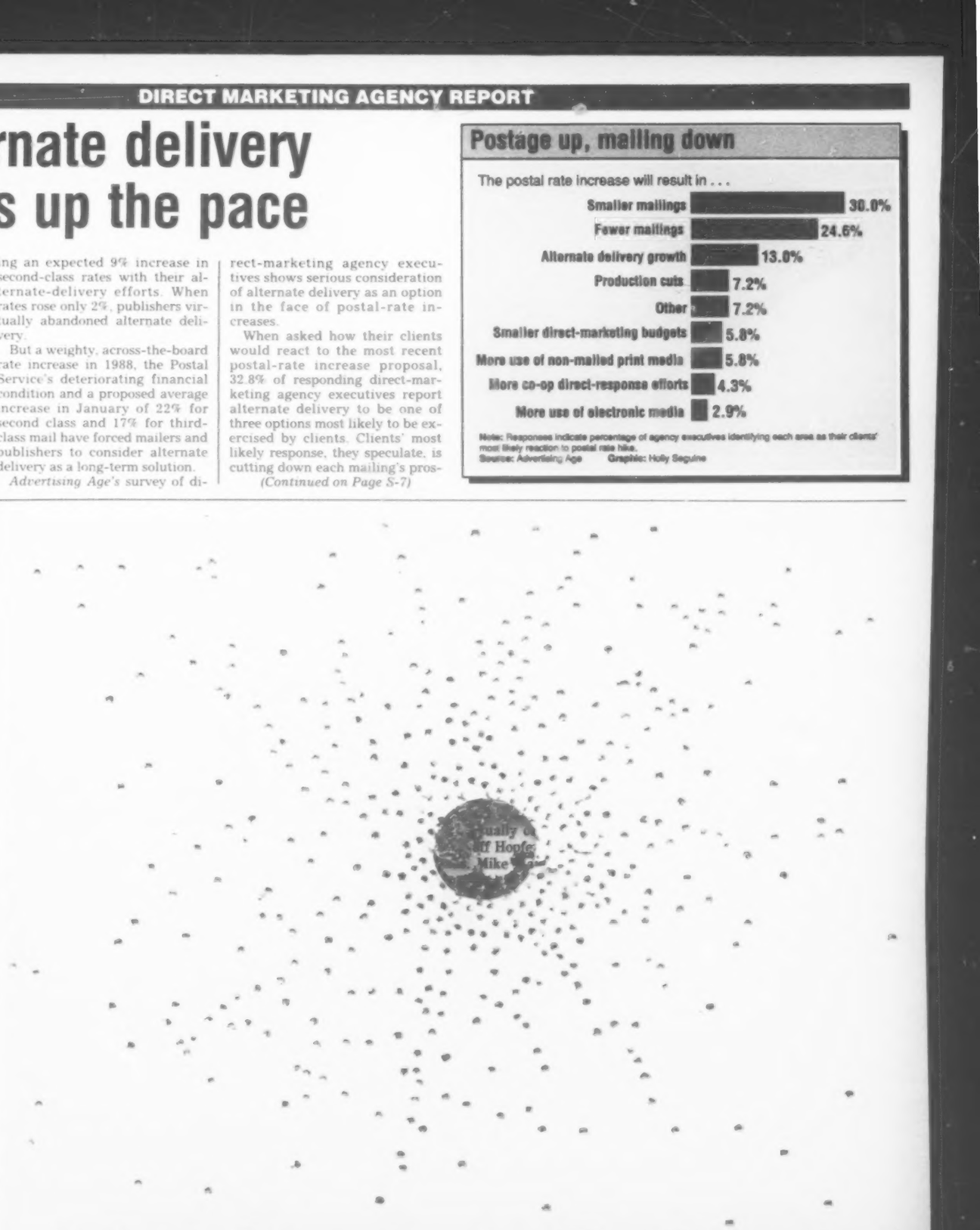

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By feeding the responses from those programs back into your database, you establish ongoing relationships with customers and prospects. You communicate with customers as individuals, not just as

Use-tax issue moving toward day in high court

By Steven W. Colford

TAX TROUBLE

In their continuing fight over sales taxes with revenue-hungry states, direct marketers appear to be winning.

Encouraged by recent court decisions denying states the right to collect sales tax on residents' mail-order purchases from direct marketers in other states, the Direct Marketing Association is looking to settle the matter for good, says Robert Levering, DMA VP-general counsel.

Mr. Levering says DMA and Multistate Tax Commission, a lobbying group composed of state tax officials that favors taxing advertising and other professional services, are near agreement on a test case they hope will work its way to the U.S. Supreme Court. If that happens—and it probably wouldn't until 1992 or 1993, Mr. Levering says—the court will have a chance to uphold or overturn its 1967 decision that largely precludes states from taxing mail-order purchases from out-of-state marketers.

The case will arise from Nevada, says Mr. Levering, declining to identify the direct marketer that will serve as guinea pig. The fight will determine whether individual states can recoup an estimated $3 billion annually in "lost" tax on direct-response sales. Direct-mail sales in 1988 were estimated at $35 billion.

Based on the U.S. Supreme Court's 1967 decision in *National Bellas Hess vs. Illinois*, states can't tax out-of-state mail purchases unless a marketer maintains a significant presence such as property or personnel—in legal parlance, a nexus—in the taxing state.

That decision remained unchallenged for years, but the growing use of techniques such as 800 numbers and home-shopping TV channels have led states to increase pressure to recoup what they see as lost tax revenue by questioning what constitutes nexus.

"Realistically, no state court is going to overrule the U.S. Supreme Court," admits Michael Mazerov, director of research for the tax group. "Ultimately, the only way to see if *Bellas Hess* remains good law is to challenge it in the Supreme Court."

That 1967 high court ruling so effectively prevented states from taxing mail-order sales that U.S. Rep. Jack Brooks (D., Texas) last year introduced legislation designed to alter the decision.

His measure would allow states to collect sales tax on purchases from most mail-order retailers. But that bill has foundered.

Prospects for the legislation appear slight, at least for now.

"Calling that bill dormant is being kind," says Mr. Levering, who notes that legislating a solution rubs some politicians the wrong way. "For one thing, it strikes people as a new tax."

With the legislation still awaiting consideration by Rep. Brooks' economic and commercial law subcommittee, the two warring factions are moving to settle the

(Continued on Page S-9)

USPS creates taxing situation

What is the impact of the following issues on the direct-response business?

	Very important	Somewhat important	Not important
Postal hike	70.7%	25.3%	1.3%
Use tax	57.3	29.3	2.7
Privacy-telemarketing	34.7	45.3	4.0
Privacy-database	41.3	37.3	12.0
Privacy-fax solicitation	26.7	38.7	20.0

Source: Advertising Age Graphic: Holly Seguine

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Direct-response ranking (Continued from Page S-2)

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
101	81	**Jiloty Communications**, Holly Hill, Fla.	$3,370	$4,308	(21.8)	5.5%	2.8%	19.3%	NA	Mike Jiloty, president	(904) 677-0673	
102	95	**James & Thomas**, Chicago	3,263	3,341	(2.3)	NA	2.6%	13.8%	0.7%	William J. Bloch, president	(312) 751-0520	✓
103	97	**Beaumont, Heller & Sperling**, Reading, Pa.	3,162	3,074	2.8	NA	NA	NA	NA	Robert D. Beaumont, president	(215) 375-4311	
104	NA	**Kobs Gregory & Passavant**, Chicago	3,152	NA	NA	NA	3.7%	5.2%	NA	James F. Kobs, chmn, ceo	(312) 819-2300	✓
105	99	**Lois/GGK New York**, New York	3,000	3,000	0.0	NA	NA	NA	NA	George Lois, chmn, cd	(212) 757-6700	✓
106	117	**Integrated Target Marketing**, Chicago	2,845	1,307	117.6	NA	NA	5.0%	55.0%	John M. Coe, president	(312) 527-4995	✓
107	102	**Mullen Advertising**, Wenham, Mass.	2,800	2,500	12.0	NA	NA	NA	NA	James X. Mullen, president	(508) 468-1155	
108	105	**MWA Direct**, Minneapolis	2,725	2,119	28.6	NA	NA	NA	97.1%	Michael Wikman, president	(612) 522-3673	✓
109	107	**Marquardt & Roche**, Stamford, Conn.	2,721	1,758	54.8	NA	NA	NA	NA	Jim Marquardt, president	(203) 327-0890	
110	104	**Keroff & Rosenberg Advertising**, Chicago	2,500	2,125	17.6	NA	NA	NA	NA	C.I. Rosenberg/W.B. Keroff, ptnrs	(312) 321-9000	✓
110	114	**McConnaughy Barocci Brown**, Chicago	2,500	1,400	78.6	NA	NA	NA	NA	Tom McConnaughy, president	(312) 321-8000	✓
112	NA	**Tucker Wayne/Luckie & Co.**, Atlanta	2,446	NA	NA	NA	NA	NA	NA	Matthew Connor, chmn exec comm	(404) 521-7600	
113	NA	**Sales Development Associates**, St. Louis	2,178	NA	NA	NA	NA	9.6%	11.6%	Ken Hieronymus, chairman	(314) 862-8828	
114	109	**G/R Direct**, Watertown, Mass.	2,091	1,725	21.2	1.6%	NA	2.2%	NA	Richard L. Warren, president	(617) 926-5030	
115	103	**Salthouse-Torre-Horton**, Rutherford, N.J.	2,000	2,200	(9.1)	NA	NA	NA	NA	Douglas Salthouse, chmn, ceo	(201) 933-7000	
115	106	**S.J. Weinstein Associates**, New York	2,000	2,000	0.0	NA	NA	NA	NA	Stephen J. Weinstein, ceo	(212) 206-0222	✓
117	120	**Aydlotte & Cartwright**, Atlanta	1,964	1,197	64.1	NA	NA	NA	NA	William Y. Aydlotte, president	(404) 438-7312	✓
118	101	**Barnum & Souza**, New York	1,916	2,553	(24.9)	NA	NA	NA	NA	Barbara J. Barnum, chmn	(212) 995-2990	
119	NA	**Direct Response Marketing**, Buffalo, N.Y.	1,698	NA	NA	NA	NA	NA	NA	Robert Travers, president	(716) 688-1177	

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Direct shops

(Continued from Page S-1)

growth, according to the agencies, was through data-base development, named as one of the top three choices by 83% of the agencies *(see story on P. S-10)*. Also listed among the top three in growth potential was international business (by 55%) and sales promotion (by 63%).

The crossover into sales promotion by direct-response agencies is not surprising (AA, April 30), given the interest in direct response by the sales promotion agency community.

Direct-response agency executives also indicate better utilization of direct response as a marketing method would stimulate growth, with many saying the industry strategy is underused by client companies.

> "Marketers haven't been making good use of direct response. There will be an explosion of growth in direct response in the 1990s as business realizes the value of repeat customers."

"Marketers haven't been making good use of direct response," says Harold Brierley, president of No. 38-ranked Brierley & Partners, Dallas. "There will be an explosion of growth in direct response in the 1990s as business realizes the value of repeat customers."

He sees this shift resulting from better utilization and greater sophistication of computer data bases—the lifeblood of direct response—and a realization among advertisers of the importance of creating and maintaining personal relationships with their customer base.

"Very few senior marketing executives understand direct-response marketing," Mr. Brierley says. "More precisely, the lack of broader use of direct response is because management doesn't understand it, and because it is much more labor-intensive, takes more time, costs more and is much more complicated than general media advertising." □

Kenneth Wylie is a frequent contributor to Advertising Age.

DIRECT MARKETING AGENCY REPORT

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
120	112	**Clarity Coverdale Rueff Advertising**, Minneapolis	$1,665	$1,580	5.4	NA	NA	NA	NA	Robert Rueff, ceo	(612) 339-3902	✓
121	110	**Launey, Hachmann & Harris**, New York	1,620	1,711	(5.3)	NA	NA	71.3%	NA	Robert E. Launey, president	(212) 679-1702	
122	118	**Fogarty & Klein**, Houston	1,610	1,250	28.8	NA	NA	NA	NA	William H. Fogarty, principal	(713) 528-3354	
122	133	**McKinney & Silver**, Raleigh, N.C.	1,610	750	114.7	NA	NA	NA	NA	Charles McKinney, chmn	(919) 828-0691	✓
124	115	**K.I. Lipton Inc.**, Doylestown, Pa.	1,406	1,370	2.6	NA	NA	NA	100.0%	Kenneth I. Lipton, president	(215) 345-4525	✓
125	NA	**Harris Brandt Advertising**, Woodmere, N.Y.	1,402	NA	NA	10.0%	NA	5.0%	85.0%	Harris Brandt, president	(516) 569-7266	✓
126	NA	**Kaufman & Maraffi Advertising**, New York	1,400	NA	NA	NA	NA	NA	NA	John Maraffi, president	(212) 867-0670	✓
126	NA	**TBC Direct**, Baltimore	1,400	NA	NA	28.6%	NA	NA	NA	Tom L. Burden, president	(301) 347-7500	
128	116	**Harold Warner Advertising**, Buffalo, N.Y.	1,396	1,361	2.6	NA	NA	NA	NA	Paul V. Offermann, president	(716) 852-4410	
129	119	**J.W. Prendergast & Associates**, New York	1,355	1,209	12.1	NA	NA	4.1%	14.8%	James W. Prendergast, president	(212) 687-8805	
130	113	**Eisner & Associates**, Baltimore	1,250	1,575	(20.6)	NA	NA	NA	NA	Steven C. Eisner, president, ceo	(301) 685-3390	✓
130	108	**Haddon Advertising**, Chicago	1,250	1,750	(28.6)	NA	NA	NA	NA	Harvey L. Haddon, president	(312) 943-6266	✓
132	121	**Smith/Greenland**, New York	1,230	1,101	11.7	NA	NA	NA	NA	Leo Greenland, chmn, ceo	(212) 757-3200	
133	NA	**Advertising, Boelter & Lincoln**, Madison, Wis.	1,214	NA	NA	35.8%	2.5%	18.8%	NA	Robert Boelter, president	(608) 251-3381	✓
134	111	**Liggett Stashower Direct**, Cleveland	1,200	1,700	(29.4)	NA	NA	NA	NA	David Stashower, president	(216) 348-8500	✓
135	124	**Great Scott Advertising**, New York	1,154	951	21.4	NA	NA	NA	NA	Lorraine Borden, ceo, president	(212) 826-2050	✓
136	128	**Quest Business Agency**, Houston	1,073	832	29.1	NA	NA	NA	NA	Alan D. Vera, president, ceo	(713) 956-6569	✓
137	127	**Ruhr/Paragon**, Minneapolis	1,048	873	20.0	NA	NA	NA	NA	Charles F. Ruhr, chmn	(612) 332-4565	
138	123	**Griffith & Coe Advertising**, Hagerstown, Md.	1,030	981	5.0	NA	NA	31.6%	2.9%	Jack Griffith, president	(301) 733-7286	
139	155	**Langworth Taylor Co.**, White Plains, N.Y.	1,000	200	400.0	NA	NA	NA	NA	Frank C. Langworth, president	(914) 946-7333	
139	NA	**Towne, Silverstein, Rotter**, New York	1,000	NA	NA	NA	NA	NA	NA	Leslie Towne, ceo	(212) 353-1700	✓
141	134	**MARC Direct**, Pittsburgh	980	734	33.6	NA	NA	NA	30.6%	Lou Cardamone, ceo	(412) 562-2000	

Delivery

(Continued from Page S-4)

pect list.

Pushing alternate delivery up in priority appears crucial to making it viable. "If alternate delivery is going to work, mailers need to be in it forever," says Howard Rosen, director of alternate delivery for Time Warner.

Despite agency executives' interest, alternate delivery is still far from becoming mainstream.

The volume of mail now being delivered by private means is negligible—only about 3%, according to the Association of Alternate Postal Systems.

Many of those companies specialize in delivering saturation, or non-addressed mail, which is exempt from the postal monopoly. But under the postal-rate proposal, saturation mail rates would decrease through new discounts—from 10.1¢ to 9.1¢ per mailed piece—discouraging mailers from using alternate delivery.

"We could be hurt [by the proposal]," says Ken Bradstreet, president of AAPS and VP-general manager of Advertisers Postal Service Corp.

Mailers of hefty catalogs and magazines stand to reap the greatest savings from alternate delivery. That's because alternate-delivery companies' costs are based more on the number of pieces mailed than on weight.

Alternate Postal Delivery, one of the largest private-delivery companies, is positioning itself for an expected increase in volume.

President-CEO Phillip Miller says the market potentially is worth as much as $500 million.

Mr. Miller intends to expand the network from its Midwest base. Targets include Greensboro, N.C., and Salt Lake City. The service delivers more than 1 million third-class pieces per month.

Time Warner, the nation's largest U.S. mailer, last year launched Publishers Express partly to gain clout with the Postal Service.

Time Warner has much at stake: Its postal bill is expected to jump 20% to $360 million after the 1991 rate change.

The service delivers magazines published or printed by Time Warner and equity partners R.R. Donnelley & Sons, Quad Graphics, Meredith, Murdoch Magazines, New York Times Publishing Co. and Times Mirror.

Publishers Express now delivers 85,000 magazines to 70,000 Atlanta-area households. By fall, Publishers Express will add catalog mail from Johnny Appleseed, Penney's and Sears. □

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DIRECT MARKETING AGENCY REPORT

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
142	139	**Partners & Shevack**, New York	$966	$632	52.8	NA	NA	NA	NA	Brett Shevack, president, ceo	(212) 245-7300	✓
143	149	**National Classified Network**, Dallas	944	323	192.3	NA	NA	100.0%	NA	Philip Kratzer, president	(214) 352-0612	
144	126	**Henderson Advertising**, Greenville, S.C.	936	876	6.8	NA	NA	NA	NA	Ralph W. Callahan Jr., chmn	(803) 271-6000	
145	125	**Dudnyk Co.**, Horsham, Pa.	900	900	0.0	NA	NA	NA	NA	Edward K. Dudnyk, president	(215) 443-9406	
146	140	**Larkin, Meeder & Schweidel**, Dallas	862	607	42.1	NA	NA	NA	NA	Carl Larkin, chmn, president	(214) 688-7070	✓
147	130	**Smith & Yehle**, Kansas City, Mo.	809	801	1.0	NA	NA	NA	NA	Karl J. Yehle, president	(816) 842-4900	
148	136	**Dorland Sweeney Jones**, Philadelphia	800	700	14.3	NA	NA	NA	NA	Harry A. Sweeney Jr., president	(215) 625-0111	✓
149	NA	**Media Consultants**, Lyndhurst, N.J.	780	NA	NA	NA	NA	NA	NA	Harvey Hirsch, president, cd	(201) 933-2015	
150	137	**Penny/Ohlmann/Neiman**, Dayton, Ohio	764	683	11.8	NA	NA	NA	NA	Walter Ohlmann, president, ceo	(513) 278-0681	✓
151	141	**Keyes Martin & Co.**, Springfield, N.J.	750	525	42.9	NA	NA	NA	NA	Daniel M. Gaby, chmn, ceo	(201) 376-7300	✓
152	122	**Waldbillig & Besteman**, Madison, Wis.	733	1,066	(31.2)	4.6%	9.3%	15.9%	NA	William J. Waldbillig, president	(608) 238-4767	
153	NA	**Saunders & Lyons Advertising**, Buffalo, N.Y.	729	NA	NA	NA	NA	NA	NA	Richard J. Saunders Jr., chmn	(716) 852-1700	
154	NA	**John Risdall Advertising**, New Brighton, Minn.	691	NA	NA	NA	NA	16.5%	11.7%	John Risdall, president	(612) 631-1098	
155	132	**Gray Kirk & Evans**, Baltimore	685	750	(8.7)	NA	NA	NA	NA	William G. Evans, chmn	(301) 727-4306	✓
156	143	**Pedone & Partners**, New York	550	450	22.2	NA	NA	NA	NA	Michael F. Pedone, president, ceo	(212) 319-2000	✓
157	138	**MarketAide**, Salina, Kan.	545	676	(19.3)	NA	NA	NA	NA	Russ Norwood, president	(913) 825-7161	✓
158	145	**Pool Communications**, Los Angeles	500	428	16.8	NA	NA	NA	NA	Harvey Pool, president	(213) 479-4166	
159	129	**Mintz & Hoke**, Avon, Conn.	450	830	(45.8)	NA	NA	NA	NA	Joseph Hoke, ceo	(203) 678-0473	✓
159	NA	**Tarlow Advertising**, New York	450	NA	NA	NA	NA	NA	NA	Dick Tarlow, president	(212) 826-0399	
161	144	**DFK Advertising**, New York	435	435	0.0	50.6%	28.7%	20.7%	NA	Herb Fried, president	(212) 696-0766	✓
162	148	**Kolon, Bittker & Desmond**, Troy, Mich.	400	400	0.0	NA	NA	NA	NA	John S. Kolon, president, coo	(313) 524-2500	
162	131	**Lyons Inc.**, Wilmington, Del.	400	800	(50.0)	NA	NA	NA	NA	William N. Spiker, chmn, ceo	(302) 654-6146	✓
164	146	**Ken Schmidt Co.**, Milwaukee, Wis.	390	425	(8.2)	NA	NA	NA	NA	Daniel H. Nelson, chmn, president	(414) 224-0210	✓
165	151	**Hallmark Advertising**, Pittsburgh	330	314	5.1	NA	NA	NA	NA	Marvin S. Jacobson, president	(412) 687-0400	✓
166	NA	**Goldberg Fossa Seid Advertising**, New York	325	NA	NA	NA	NA	NA	NA	Ira Goldberg, president	(212) 727-7400	✓
167	155	**Grant Marketing Communications**, Lafayette Hill, Pa.	300	200	50.0	NA	NA	NA	NA	Howard C. Grant, chmn, ceo	(215) 834-0550	✓
168	153	**Scharfberg & Associates**, Jenkintown, Pa.	290	209	38.8	NA	NA	NA	NA	Sheldon Scharfberg, president	(215) 885-7050	✓
169	162	**Capener Co.**, San Diego	280	145	93.1	NA	NA	NA	NA	Bob Capener, president, ceo	(619) 238-8500	✓
170	150	**Newmark Posner & Mitchell**, New York	240	320	(25.0)	NA	NA	NA	NA	Sidney Posner, president	(212) 867-3900	
171	157	**Letven/Diccicco Advertising & PR**, Horsham, Pa.	220	189	15.9	NA	NA	NA	NA	Edward M. Letven, chpsn, ceo	(215) 957-0300	✓
172	154	**Adelante Advertising**, New York	205	205	0.0	85.4%	14.6%	NA	NA	Sy Davis, president	(212) 696-0855	
173	160	**Arnold Advertising**, Boston	201	152	32.5	NA	NA	NA	NA	Ed Eskandarian, chmn, ceo	(617) 357-1900	✓
174	152	**McKinney Inc.**, Philadelphia	168	281	(40.3)	NA	NA	NA	NA	Frank W. Callahan, president	(215) 922-2635	
175	NA	**CTS Associates**, Detroit	159	NA	NA	NA	NA	NA	NA	Tom Scholl, president	(313) 965-0575	✓
176	163	**Laven Fuller & Perkins Advertising**, Chicago	132	137	(3.5)	NA	NA	65.7%	34.3%	James P. Perkins, president, cd	(312) 440-1818	
177	158	**MSA Advertising**, Philadelphia	130	175	(25.6)	NA	NA	NA	NA	Michael Schwartz, ceo	(215) 546-8000	
178	NA	**DK Group**, Hillsdale, N.J.	111	NA	NA	NA	NA	NA	NA	Richard Knei, president	(201) 358-6100	✓
179	165	**Reimel Carter Advertising**, Philadelphia	110	100	10.0	NA	NA	NA	NA	T.L. Reimel, president, ceo	(215) 735-3200	✓

How data were compiled

The rankings include returns from fully direct-response agencies and ad agencies with direct-response billings.

Data from both groups were solicited by questionnaire, although separately. Advertising agencies were surveyed at the beginning of the year for the Agency Income Report, published March 26.

Ad agencies were asked to list not only media placed by their direct-response units but materials and services and capitalized fees related to direct-response activity.

A number of agencies for various reasons still only identified direct response as a portion of their media total. Those numbers were used to determine their direct-response ranking in this report.

Purely direct-response agencies were mailed questionnaires that also contained additional questions relating to industry trends.

Both advertising agencies with direct-response billings and direct-response agencies were ranked together by their billings volume *(see charts beginning on Page S-2)*.

Excluded from billings in this report were returns from internal operations such as catalog production and data base and telemarketing operations. □

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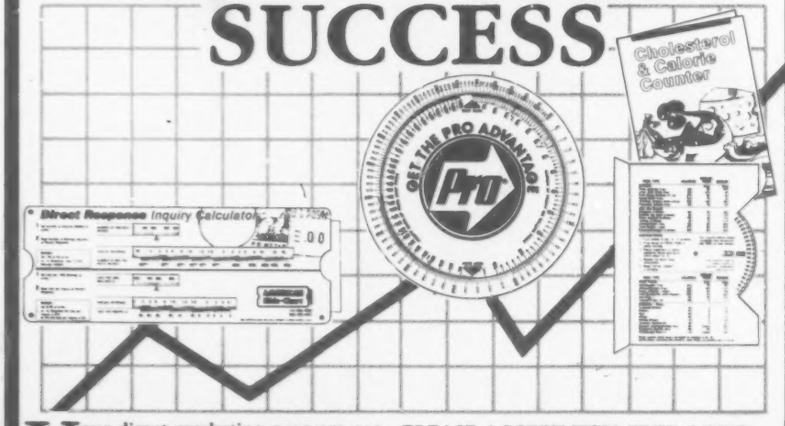

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DIRECT MARKETING AGENCY REPORT

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180	NA	**Price McNabb Advertising**, Asheville, N.C.	$109	NA	NA	NA	NA	NA	NA	Charles R. Price, chmn, ceo	(704) 255-2600	✓
181	164	**Gearon Hoffman Conlon & Nye**, Boston	100	$100	0.0	NA	NA	NA	NA	Bob Conlon, chmn, cd	(212) 688-2400	✓
181	161	**KK&M Advertising**, Boston	100	150	(33.3)	NA	NA	NA	NA	Dennis Kunian, chmn	(617) 787-0330	
181	168	**Nemer, Fieger & Associates**, Minneapolis	100	75	33.3	NA	NA	NA	NA	James D. Fieger, president	(612) 925-4848	✓
181	167	**Tri-State Advertising Co.**, Warsaw, Ind.	100	78	27.7	NA	NA	NA	NA	William L. Kreicker, president	(219) 267-5178	✓
185	166	**J. Malek Inc.**, New York	90	80	12.5	NA	NA	NA	NA	Judy Malek, president	(212) 465-9304	✓
186	NA	**Kopf Zimmermann Schultheis**, Melville, N.Y.	85	NA	NA	NA	NA	NA	NA	Arthur Zimmermann, president	(516) 293-6115	✓
187	173	**New-Venture Advertising**, Los Angeles	79	38	106.1	NA	NA	NA	NA	Doug Hedlund, president	(213) 473-1547	
188	NA	**Opus Group**, Ridgewood, N.J.	78	NA	NA	NA	NA	NA	NA	Joe Grasso, president	(201) 447-4824	✓
189	169	**Stiegler, Wells & Brunswick**, Bethlehem, Pa.	58	50	15.6	NA	NA	NA	NA	Ernie G. Stiegler, chmn	(215) 866-0611	
190	NA	**Cross Keys Advertising**, Doylestown, Pa.	56	NA	NA	NA	NA	NA	NA	Laura A. Thompson, president	(215) 345-5435	✓
191	NA	**Fischbein & Partners**, Minneapolis	50	NA	NA	NA	NA	NA	NA	Myles Spicer, ceo	(612) 542-9666	✓
192	NA	**Haller Schwarz Meade Ullman**, Agoura Hills, Calif.	49	NA	NA	NA	NA	NA	NA	H. Schwarz/S. Meade, co-chmn	(818) 889-2973	
193	171	**Shelly Berman Communicators**, Westerville, Ohio	45	45	0.0	NA	NA	NA	NA	Sheldon M. Berman, chmn	(614) 891-7070	✓
193	170	**Poindexter Associates**, Roanoke, Va.	45	49	(7.8)	NA	NA	NA	NA	Dale Poindexter, president	(703) 345-2400	
195	172	**Keating Magee Long**, New Orleans	42	43	(1.9)	NA	NA	NA	NA	Jennifer Keating Magee, ceo	(504) 523-2121	
196	174	**Harris & Love Advertising**, Salt Lake City	36	32	12.0	NA	NA	NA	NA	Donald G. Ware, president	(801) 532-7333	
197	176	**Meyer Jehs & Wallis**, Milwaukee	25	25	0.0	NA	NA	NA	NA	Robert L. Meyer, president	(414) 224-0212	
198	NA	**Phillips Marketing**, San Diego	20	NA	NA	NA	NA	NA	NA	Robert B. Phillips, president	(619) 223-5353	
199	175	**Tepe, Hensler & Westerkamp**, Cincinnati	19	27	(27.9)	NA	NA	NA	NA	John Tepe, president	(513) 241-0100	✓
200	159	**Communication & Design Agency**, Latham, N.Y.	16	159	(90.2)	NA	NA	NA	NA	Francis J. Lipari, president, ceo	(518) 783-0001	✓

Notes: Dollars are in thousands. See methodology Page S-8. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA.

Use tax

(Continued from Page S-5)

matter with a test case.

The decision to seek an ideal legal challenge comes as more states—28 at last count—pass laws "purporting to give the states the authority to collect taxes on mail-order purchases," Mr. Levering says.

"It's kind of like a protection racket," he says of states' legislative efforts to strong-arm direct mailers into compliance rather than risk losing a precedent-setting legal challenge.

Still, other legal battles continue. Mr. Mazerov says a case involving the state of North Dakota and Illinois-based Quill Corp. appears ripe to rise to the Supreme Court.

The case, now awaiting trial in the South Central District Court in Bismarck, N.D., raises the usual sales tax question—but with a twist, Mr. Mazerov says. The state will rely on a new argument: that the direct marketer's goods—in this case, office products and computer supplies—constitute nexus until the purchaser inspects them and officially takes delivery on the purchase. According to that argument, the goods themselves, at least for a time, remain the property of the sender and constitute nexus.

What encourages DMA about its chances before the Supreme Court are two recent state court rulings in Pennsylvania and Connecticut. In both, courts ruled in favor of direct mailers.

The Connecticut ruling was the most significant to DMA because it was rendered by the state Supreme Court. In its 6-1 decision March 28, the court held that a California marketer didn't have to collect the state's use tax because Cally Curtis Inc., a marketer of training videos, had only a nominal presence in Connecticut.

In the other case, the Commonwealth Court of Pennsylvania ruled that Bloomingdale's By Mail Ltd. isn't responsible for collecting use taxes on its mail-order sales to Pennsylvania residents.

Direct marketers continue to be reassured by the courts' definitions of nexus, which will remain the crux of the use tax issue.

"Once again, a state court has reaffirmed the 1967 national *Bellas Hess* decision of the U.S. Supreme Court . . . that an out-of-state direct marketer could not be required to collect taxes from in-state customers unless it has a physical presence, or nexus, in the taxing state," Mr. Levering says. □

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Data-base work arrives as direct's hot button

By Alison Fahey

SEARCH FOR GROWTH

Direct marketers are calling on the computer to help ring up revenues in the early 1990s.

Direct-response agency executives surveyed by *Advertising Age* identified data-base development as the technology representing the greatest revenue-generating potential for their businesses in 1990.

More than 45% of respondents say data-base marketing is the hot growth area. Growth from international activities and sales promotion functions were a distant second place with 16.9% of surveyed executives selecting each of these as areas with the greatest promise.

Agency executives say data-base marketing is becoming more important to their clients as they struggle to target consumers more effectively.

"I think data-base marketing has always been the domain of traditional direct marketers like insurance and financial services [companies], and now we're seeing tremendous growth from package goods," says Gary Blau, partner, Computerized Marketing Technologies. "The package-goods community has come to the harsh realization that mass media doesn't work."

Mr. Blau expects more package goods marketers to follow in the footsteps of Quaker Oats Co., a CMT client that will break in September a multi-year effort revolving around a customized direct-mail piece and including coupons for 16 Quaker brands. The initial data base contains the names of 18 million consumers.

Some say a result of the shift to data-base development will be growth in telemarketing's role as a direct-response device.

"As direct marketing has grown in sophistication with data-base building and management, people are realizing the telephone is a marketing communications medium [and not] an untargeted, unsophisticated way of selling," says Steven Idelman, chairman-ceo of the telemarketing company that bears his name.

While data bases are making telemarketing more efficient, new interactive telephone systems are helping to build data bases. For example, callers who leave their names and addresses for a 900 number phone-in sweepstakes provide advertisers with a ready-made mailing list.

"In that case, the marketer is collecting information at no additional cost," says Bob Lorsch, president of Teleline, a developer of telephone marketing programs.

Marketers that have experimented with interactive phone numbers include Anheuser-Busch Cos., Gannett Co.'s *USA Today*, Paramount Pictures and American Express Co.

Mr. Lorsch also says 900 numbers, which are sometimes ad-supported, can generate extra dollars for more advertising and promotional programs.

Brad Gillum, VP and partner of Lave & Associates Marketing, one of the agencies that listed telemarketing as the No. 1 growth area in the *Advertising Age* survey, says he sees more smaller companies using telemarketing as new hardware makes interactive voice response more affordable.

The key to telemarketing's growth, however, appears to reside in not only technological improvements in telecommunications but a desire to refine customer data bases to improve telemarketing's effectiveness.

"Clients used to have a lot of consumer information at their fingertips and just ignored it," says one agency executive who asked not to be identified. "Before, they didn't want to invest in it, but now they

The money in numbers

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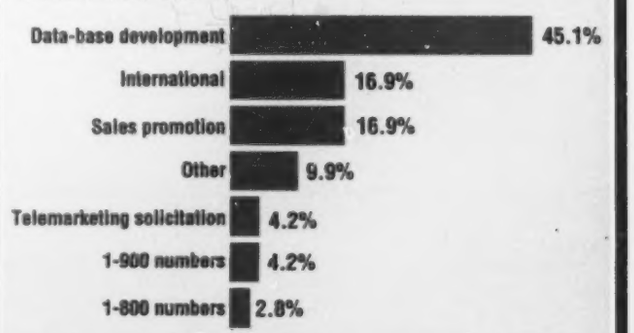

Note: Responses indicate percentage of respondents listing each area as having the greatest revenue-generating potential for direct-response agencies.
Source: Advertising Age Graphic: Holly Seguine

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Coupons go in-store

Growth trend shifts from media distribution

By Scott Hume

The pendulum has swung away from media-delivered coupons in favor of in-store promotions.

Package-goods marketers distributed 263 billion coupons through print media in 1989, up 4% from 1988, reported the Summary Scan! division of the Advertising Checking Bureau.

But the percentage growth of in-store and on-shelf promotions was higher, up 12%. Included were on-pack coupons, refund offers, bonus packs (such as buy-one-get-one), contests, sweepstakes and packages touting new or improved products.

In 1988, the number of media coupons (distributed by free standing inserts, newspapers, magazines and direct mail) rose 14.6% from 1987 to 252.7 billion, while use of in-store/on-shelf promotions rose 5%.

Summary Scan! Director Kermit Myers attributed the shift primarily to "pure economics."

"In 1987, when the number of coupons distributed rose 6%, I thought things had finally leveled off after several years of double-digit increases. But, surprise, the FSI companies dramatically reduced their prices in 1988 and boom, everybody raced back into couponing," he said.

"In the old days, you saw coupons for cookies and crackers but not coupons for everything, as you do now."

"Insert prices rose again in 1989 and manufacturers again shifted budgets, back away from coupons and into promotions," Mr. Myers added.

Another factor in last year's shift out of media couponing was renewed fears about "coupon clutter" as a result of 1988's large increase, he said.

"In the old days, you saw coupons for cookies and crackers but not coupons for everything, as you do now. [Categories] that never used to coupon now do it regularly, such as small-volume products like hemorrhoid treatments and allergy medication, and that's added to the clutter," he said.

It's too early to tell whether the balance between print media coupons and in-store/on-shelf promotions will again flip-flop in 1990, but early indications are that the growth of both "probably is leveling off," Mr. Myers said.

The face value of the coupons distributed in 1989 was about $115 billion, but because redemption rates stayed flat at less than 4%, the total redemption cost (including handling) was $4.5 billion, down 3.4% from 1988.

Although it's possible to track the number of promotional offers, it's impossible to give them a monetary value, Mr. Myers said.

FSIs remain the distribution vehicle of choice for package-goods marketers, accounting for 88.7% of all coupons distributed through print media in 1989. That's about even with 88% in 80% in 1986.

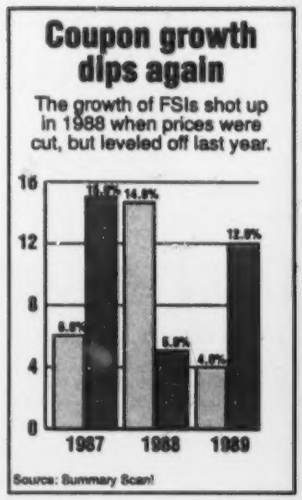
Other sources reported different numbers of coupons circulated last year. Carolina Manufacturer's Service estimated 273.4 billion coupons were distributed last year, up 9.4%. Mr. Myers noted that Carolina includes on-pack coupons and tracks only coupons distributed by marketers it serves as a fulfillment house.

Summary Scan! functions solely as a tracking service, monitoring newspapers in 57 markets for print ads and inserts, tracking 45 consumer magazines and examining every promotion distributed through direct mail. For in-store promotions, Summary Scan! examines every package and display in selected grocery stores in 10 major cities.

Marketers spent $979 million on print ads with coupons in 1989, and $207 million on print ads supporting promotions but not carrying coupons—such as ads for refunds, contests and sweepstakes.

Health & beauty aids again accounted for the highest share of all coupons distributed, 21.6%, up from 20.2% in 1988. □

JOHN SMITHER



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Sampling mistakes you shouldn't make.

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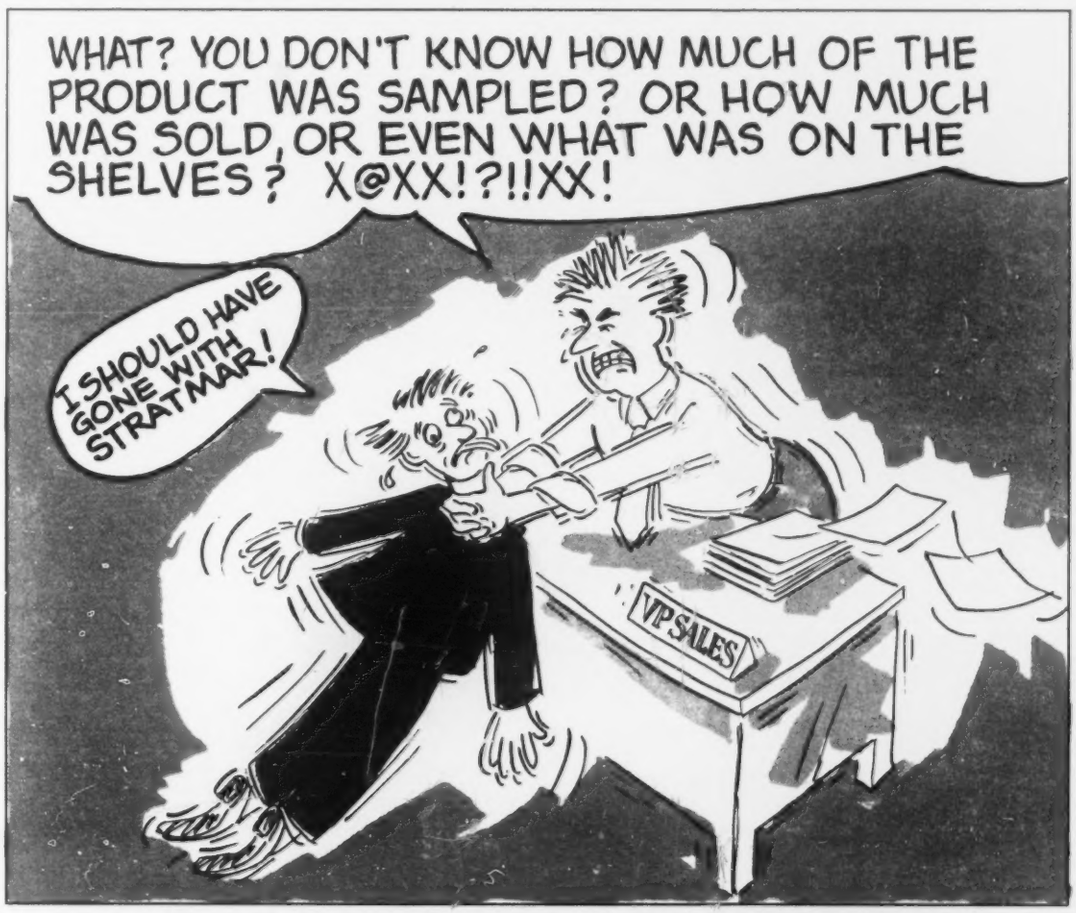
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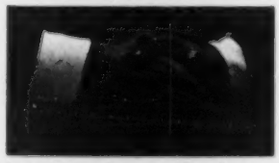

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MEDIAWORKS

PUBLISHING

Disney eyes 'Games Junior'

Editorial and business-side developments in print media.

Is Disney playing "Games"? PSC Publications, New York, may be close to a deal to sell *Games Junior* to Walt Disney Co. PSC is also seeking a buyer for *Games*, bought in 1987 from Playboy Enterprises; PSC launched the spin-off *Games Junior* in 1988. Both are every-other-monthlies. "There is a fair amount of interest in *Games Junior* and some interest in *Games*," said PSC President Jerry Calabrese. "There have been conversations, and still are, with Disney about *Games Junior*." PSC filed for Chapter 11 bankruptcy protection earlier this month.

In March, PSC sold *Creative Ideas for Living* to Sampler Publications, St. Charles, Ill. The every-other-monthly women's magazine has a rate base of 700,000.

Selling to Soviets. Amtorg Trading Corp. and International Delaware Corp., both New York, in November will jointly publish what they call the first directory of U.S. companies offering services to Soviet industry. *American Business Directory for the U.S.S.R.* will be distributed to 200,000 Soviet managers and government officials. The publishers have gathered at least 380,000 prepaid subscriptions for the estimated 350-to-400-page directory, said Basil Pegushin, Amtorg managing director. A b&w page is $10,000; a color page is $12,500.

"Penthouse" publisher adds "Compute!" General Media International, New York, publisher of *Penthouse* and *Omni*, bought *Compute!*, *Compute's Amiga Resource*, *Compute's Gazette* and *Compute's PC* from ABC Publishing, a division of Capital Cities/-ABC, New York. The frequency of monthly *Compute!* will be reduced, and the other titles are being evaluated to determine whether they will continue publishing, said Kathy Keeton, General Media vice chairman. At least one book is expected to survive.

New name, broader focus. ABC Publishing, New York, changed the name of its consumer magazine sales company to City Media from California City Magazine Network, as it expands into other cities and plans to develop more multiple-city buys. The network also added *Palm Springs Life* to its package buy, including *Los Angeles Magazine*, *San Diego Magazine* and *San Francisco Focus*.

Discount for animal lovers. Brant Publications' *Interview*, New York, will offer a 5% discount in its June, July and August issues to cosmetic and fragrance advertisers that stop using animal testing in product development. A regularly priced b&w page is $5,960; a color page is $9,940.

McGraw-Hill pushes print. McGraw-Hill, New York, formed a Magazine Publishers Council of executives from its 39 trade titles. The group, chaired by Joseph Dionne, chairman-ceo of McGraw-Hill, will meet quarterly and was formed "to reinforce McGraw-Hill's commitment to the business magazine industry," Mr. Dionne said. That commitment has been questioned by members of the industry in recent years following a series of restructurings that led to books being folded or sold.

"Sassy" plans readership control. Lang Communications' *Sassy*, New York, will publish in December an issue produced entirely by its teen-age readers. No advertiser tie-ins have been announced but *Sassy* executives hinted special programs may be made available to marketers. Ad close is Sept. 25. A b&w page is $10,160; a color page is $14,730. □

TRACKING SHARES

TV favorites affected by audience age

TV's most popular series usually have wide appeal, reaching different age groups. But more programs now seem to have targeted audiences, and are seeking lucrative niches in different demographics.

Adults 18-24 (25.2 million viewers)	% of group watching
1. Simpsons (Fox)	16.2%
2. Roseanne (ABC)	15.6%
3. Cheers (NBC)	14.5%
4. A Different World (NBC)	14.0%
5. America's Funniest Home Videos (ABC)	13.9%
6. Cosby Show (NBC)	13.6%
7. Married With Children (Fox)	13.3%
8. Wonder Years (ABC)	13.0%
9. Coach (ABC)	11.6%
10. Dear John (NBC)	11.4%

Adults 25-54 (104.9 million viewers)	% of group watching
1. Roseanne (ABC)	17.3%
2. America's Funniest Home Videos (ABC)	17.2%
3. Cheers (NBC)	16.0%
4. Cosby Show (NBC)	14.5%
5. Dear John (NBC)	13.8%
6. A Different World (NBC)	13.6%
7. Wonder Years (ABC)	13.1%
8. Chicken Soup (ABC)	12.9%
9. Coach (ABC)	12.8%
10. L.A. Law (NBC)	12.7%

Adults 55 and older (50.1 million viewers)	% of group watching
1. 60 Minutes (CBS)	28.1%
2. Murder, She Wrote (CBS)	27.4%
3. Matlock (NBC)	25.7%
4. In the Heat of the Night (NBC)	23.6%
5. Golden Girls (NBC)	22.8%
6. Empty Nest (NBC)	20.9%
7. Unsolved Mysteries (NBC)	20.0%
8. Jake & the Fatman (CBS)	19.6%
9. CBS Sunday Movie (CBS)	17.4%
10. Carol & Company (NBC)	16.8%

Percentages are averages for the 1989-90 TV season. *Source:* Nielsen Media Research

LAUNCHING PAD

New publication launches.

'Sound & Image'

Diamandis Communications Inc., publisher of *Stereo Review*, introduces with a June issue *Sound & Image*, a magazine aimed at upscale buyers of home entertainment systems. The publication is scheduled to appear twice this year and be expanded to quarterly publication in 1991. Initial paid rate base is 150,000. A b&w page is $5,600; a color page is $8,000. Winston A. Johnson is publisher, Michael Riggs is editor and Nick Matarazzo is ad director. Offices are at 1633 Broadway, New York 10019. Phone: (212) 767-6000.

'Business Travel Planner'

Maxwell Communication Corp. will introduce with a fall issue *Official Airlines Guide Business Travel Planner, North American Edition*. The quarterly directory is designed for business travelers and travel planners who organize trips in North America. Initial paid rate base is 72,000. A b&w page is $3,500; a color page is $4,600. Martin Shapiro is publisher-ad director. Offices are at 2000 Clearwater Drive, Oak Brook, Ill. 60521. Phone: (708) 574-6493.

'Images of Nashville'

Journal Communications has introduced with a spring issue *Images of Nashville*, a quarterly. Controlled circulation is 50,000. A b&w page is $5,758; a color page is $6,775. Bob Schwartzman and Robin Hood are publishers-editors, and Roland Gibbons is ad director. Offices are at 5123 Paddock Village Court, Suite C-23, Brentwood, Tenn. 37024-1385. Phone: (615) 371-0010. □

MediaWorks is coordinated by Wayne Walley.

SPOT CHECK

Source: Horizon Media John Hall

April showers brighten spring

Spot Check is a monthly survey of purchasing activity in the top 20 TV markets as a projection of future activity, compiled by Horizon Media, New York. Markets are ranked by spot availability after April sales.

Top 20 overlook: Markets are generally tight after a shower of sales in April. Denver, Los Angeles, New York, San Francisco and others have rebounded, said William Koenigsberg, Horizon president. He expects advertising for early June movie releases to increase future demand for spot TV.

(1) Very tight—Little time available.

Denver: Aggressive political races and heavy automotive, retail and fast-food spending mean near sellouts in most dayparts.

Los Angeles: Political spending is at an all-time high. Automotive spending leads the market despite lower levels than last year. Entertainment, home video and fast-food spending are strong.

San Francisco: Despite flat spending by financial institutions, the market is very tight. Retail, fast-food, political and foreign cars are fueling demand for time.

(2) Tight—Time available but demand keeps prices stable.

Atlanta: The market is primed to pick up dramatically from political spending. Financial institutions, local auto dealerships, retailers, fast-food chains and corporations also are spending heavily; time could be sold at a premium in June.

Cleveland: Fast-food, automotive and political spending leave few prime-time spots available. Early and late news time periods and sports are also in demand.

Dallas: Financial services spending is up from last year. Increases in retail and political spending keep the market tight despite decreased domestic automotive and fast-food spending.

Detroit: Newspaper advertisers keep flocking to local TV. Target Stores' entry has forced K mart Corp. to expand advertising.

Minneapolis: Automotive spending is up; the Minnesota State Lottery is advertising heavily in the second quarter. Sponsors for the July 1990 Olympic Festival have started campaigns.

New York: June movie releases will keep the market healthy; baseball has helped tighten inventory on WWOR and WPIX. Automotive, transportation and communications spending is heavy.

Philadelphia: Automotive and financial services spending will keep inventory selling at a premium through May. Airlines are fighting Midway Airlines' entrance. Movie spending is high.

Seattle: Nissan Motor Corp. USA's heavy spending has car marketers rushing for good positions. Nordstrom has boosted retail spending. Fast-food spending remains high.

Tampa, Fla.: Inventory is tight in early and late news, with stations already meeting budgets for second quarter. Spots for Lexus and Infiniti have helped push automotive spending.

Washington: Automotive and retail spending are very heavy. Also tightening the market are political spending and AT&T Co. and Bell Atlantic's ad war.

(3) Negotiable—Time available at negotiable rates.

Boston: Automotive and fast-food spending are flat, but some banks are expected to spend more in May and June to regain customer confidence after major financial setbacks.

Chicago: Tourism and fast-food spending are up, but corporate, local and automotive spending are down. Early political spending for fall races could tighten the market.

Houston: Financial and automotive spending are healthy, but retail is down, and the November gubernatorial race has yet to affect the market.

Miami: Movie, automotive and political spending are up marginally. Most demand is for selected prime-time programs, early and late news, and access time periods.

Phoenix, Ariz.: Foreign car spending is up, but financial and retail spending are flat, leaving a volatile marketplace.

Pittsburgh: Financial spending is rising. Automotive spending is healthy. Demand could be eased after this month's primary.

St. Louis: Automotive and retail spending are tightening the market, but pressure for time is expected to ease this month. □